

# ACT No. XXIV OF 1926.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 25th  
March, 1926.)

## An Act further to amend the Indian Income-tax Act, 1922, for certain purposes.

**W**HEREAS it is expedient further to amend the Indian  
Income-tax Act, 1922, for the purposes hereinafter  
appearing; It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Income-tax  
(Amendment) Act, 1926. Short title and  
commencement.

(2) It shall come into force on the 1st day of April, 1926.

2. After section 19 of the Indian Income-tax Act, 1922  
(hereinafter referred to as the said Act), the following section Insertion of new  
section 19A in  
Act XI of 1922.  
shall be inserted, namely:—

“19A. The principal officer of every company shall, on or  
before the 15th day of June in each year, furnish to the pre-  
scribed officer a return in the prescribed form and verified in  
the prescribed manner of the names and of the addresses, as  
entered in the register of shareholders maintained by the com-  
pany, of the shareholders to whom a dividend or aggregate  
dividends exceeding such amount as may be prescribed in this  
behalf has or have been distributed during the preceding year  
and of the amount so distributed to each such shareholder.” Supply of  
information  
regarding  
dividends.

3. In clause (c) of section 51 of the said Act, after the  
words “mentioned in” the word and figures “section 19A” Amendment of  
section 51,  
Act XI of 1922.  
shall be inserted.

4. In section 52 of the said Act, after the words “men-  
tioned in” the words and figures “section 19A or” shall be Amendment of  
section 52,  
Act XI of 1922.  
inserted.

5. (1) In sub-section (1) of section 57 of the said Act, for  
the word “assessee” the word “person” shall be substituted. Amendment of  
section 57,  
Act XI of 1922.

(2) For

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(2) For sub-section (2) of the same section the following sub-sections shall be substituted, namely:—

“(2) Where the Income-tax Officer has reason to believe that any person, who is a shareholder in a company, is resident out of British India and that the total income of such person will in any year exceed the maximum amount which is not chargeable to super-tax under the law for the time being in force, he may, by order in writing, require the principal officer of the company to deduct at the time of payment of any dividend from the company to the shareholder in that year super-tax at such rate as the Income-tax Officer may determine as being the rate applicable in respect of the income of the shareholder in that year.

(3) If in any year the amount of any dividend or the aggregate amount of any dividends paid to any shareholder by a company (together with the amount of any income-tax payable by the company in respect thereof) exceeds the maximum amount of the total income of a person which is not chargeable to super-tax under the law for the time being in force, and the principal officer of the company has not reason to believe that the shareholder is resident in British India, and no order under sub-section (2) has been received in respect of such shareholder by the principal officer from the Income-tax Officer, the principal officer shall at the time of payment deduct super-tax on the amount of such excess at the rate which would be applicable under the law for the time being in force if the amount of such dividend or dividends (together with the amount of such income-tax as aforesaid) constituted the whole total income of the shareholder.”

(3) Sub-section (3) of the same section shall be re-numbered as sub-section (4), and in that sub-section for the words “an assessee” the words “another person” and for the word “assessee”, where it occurs for the second time, the word “person” shall be substituted.

Amendment of  
section 58,  
Act XI of 1922.

6. To sub-section (1) of section 58 of the said Act the following proviso shall be added, namely:—

“Provided that sub-sections (4) to (9) of section 18 shall apply, so far as may be, to the assessment, collection

tion and recovery of super-tax under sub-section (2) or sub-section (3) of section 57."

7. To section 66 of the said Act the following sub-section shall be added, namely:—

Amendment of section 66 Act XI of 1922.

"(8) For the purposes of this section "the High Court" means—

- (a) in relation to the North-West Frontier Province and British Baluchistan, the High Court of Judicature at Lahore;
- (b) in relation to the province of Ajmer-Merwara, the High Court of Judicature at Allahabad; and
- (c) in relation to the province of Coorg, the High Court of Judicature at Madras."

8. After section 66 of the said Act the following section shall be inserted, namely:—

Insertion of new section 66A in Act XI of 1922.

"66A. (1) When any case has been referred to the High Court under section 66, it shall be heard by a Bench of not less than two Judges of the High Court, and in respect of such case the provisions of section 98 of the Code of Civil Procedure, 1908, shall, so far as may be, apply notwithstanding anything contained in the Letters Patent of any High Court established by Letters Patent or in any other law for the time being in force.

References to be heard by Benches of High Courts, and appeal to lie in certain cases to Privy Council.

v of 1908.

(2) An appeal shall lie to His Majesty in Council from any judgment of the High Court delivered on a reference made under section 66 in any case which the High Court certifies to be a fit one for appeal to His Majesty in Council.

v of 1908.

(3) The provisions of the Code of Civil Procedure, 1908, relating to appeals to His Majesty in Council shall, so far as may be, apply in the case of appeals under this section in like manner as they apply in the case of appeals from decrees of a High Court:

Provided that nothing in this sub-section shall be deemed to affect the provisions of sub-section (5) or sub-section (7) of section 66:

Provided, further, that the High Court may, on petition made for the execution of the order of His Majesty in Council in respect of any costs awarded thereby, transmit

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transmit the order for execution to any Court subordinate to the High Court.

- (4) Where the judgment of the High Court is varied or reversed in appeal under this section, effect shall be given to the order of His Majesty in Council in the manner provided in sub-sections (5) and (7) of section 66 in the case of a judgment of the High Court.
- (5) Nothing in this section shall be deemed—
- (a) to bar the full and unqualified exercise of His Majesty's pleasure in receiving or rejecting appeals to His Majesty in Council, or otherwise howsoever, or
  - (b) to interfere with any rules made by the Judicial Committee of the Privy Council, and for the time being in force, for the presentation of appeals to His Majesty in Council, or their conduct before the said Judicial Committee."