

ACT No. III OF 1926.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 24th
February, 1926.)

An Act to determine the liability of certain Governments to taxation in British India in respect of trading operations.

WHEREAS it is expedient to determine the liability to
taxation for the time being in force in British India
of the Government of any part of His Majesty's Dominions,
exclusive of British India, in respect of any trade or business
carried on by or on behalf of such Government; It is hereby
enacted as follows:—

1. (1) This Act may be called the Government Trading
Taxation Act, 1926. Short title and
commencement.

(2) It shall come into force on such date as the Governor
General in Council may, by notification in the Gazette of
India, appoint.

2. (1) Where a trade or business of any kind is carried
on by or on behalf of the Government of any part of His
Majesty's Dominions, exclusive of British India, that Govern-
ment shall, in respect of the trade or business and of all opera-
tions connected therewith, all property occupied in British
India and all goods owned in British India for the purposes
thereof, and all income arising in connection therewith, be
liable— Liability
of certain
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operations.

(a) to taxation under the Indian Income-tax Act, 1922,
in the same manner and to the same extent as in
the like case a company would be liable;

(b) to all other taxation for the time being in force in
British India in the same manner as in the like
case any other person would be liable.

(2) For the purposes of the levy and collection of income-
tax under the Indian Income-tax Act, 1922, in accordance
with the provisions of sub-section (1), any Government to
which that sub-section applies shall be deemed to be a com-
pany within the meaning of that Act, and the provisions of
that Act shall apply accordingly.

(3) In this section the expression "His Majesty's Domi-
nions" includes any territory which is under His Majesty's
protection or in respect of which a mandate is being exercised
by the Government of any part of His Majesty's Dominions.

Price 1 anna or 1½d.

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