

ACT NO. IV OF 1937.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the
4th March, 1937.)

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

XI of 1922.

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

1. This Act may be called the Indian Income-tax Short title.
(Amendment) Act, 1937.

XI of 1922.

2. To section 16 of the Indian Income-tax Act, Amendment of section 16, Act XI of 1922. 1922 (hereinafter referred to as the said Act), the following sub-section shall be added, namely:—

“(3) In computing the total income of any individual for the purpose of assessment, there shall be included—

- (a) so much of the income of a wife or minor child of such individual as arises directly or indirectly—
 - (i) from the membership of the wife in a firm of which her husband is a partner;
 - (ii) from the admission of the minor to the benefits of partnership in a firm of which such individual is a partner;
 - (iii) from assets transferred directly or indirectly to the wife by the husband otherwise than for adequate consideration or in connection with an agreement to live apart; or
 - (iv) from

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(iv) from assets transferred directly or indirectly to the minor child, not being a married daughter, by such individual; and

(b) so much of the income of any association of individuals consisting of such individual and his wife as arises from assets transferred to the association by such individual."

Amendment
of section 18,
Act XI of
1922.

3. To sub-section (5) of section 18 of the said Act the following proviso shall be added, namely :—

" Provided further that where such person or owner is a person whose income is included under the provisions of sub-section (3) of section 16 in the total income of another person that person shall be deemed to be the person or owner on whose behalf payment has been made and to whom credit shall be given in the assessment for the following year."

Amendment
of section 48,
Act XI of
1922.

4. After sub-section (3) of section 48 of the said Act the following sub-section shall be inserted, namely :—

"(3A) Where the shareholder referred to in sub-section (1), or the member of a registered firm or the minor admitted to the benefits of partnership referred to in sub-section (2), or the owner of a security referred to in sub-section (3) is a person whose income is included under the provisions of sub-section (3) of section 16 in the total income of another person, the provisions of sub-sections (1), (2) and (3) shall apply as if that person were himself the person entitled to a refund under those sub-sections."

Operation
of section 2.

5. The amendment made in the said Act by section 2 shall not have effect in respect of any income chargeable to income-tax for any year ending before the 1st day of April, 1937.