

THE INDIAN INCOME-TAX (AMENDMENT) ACT, 1950.

No. LXXI of 1950.



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

[23rd December, 1950]

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Indian Income-tax (Amendment) Act, 1950.

2. **Amendment of section 9 (1), Act XI of 1922.**—To sub-section (1) of section 9 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), the following *Explanation* shall be added, and, subject to the provisions of section 3 of this Act, shall be deemed always to have been added, namely:—

*Explanation.*—For the purposes of clause (iv) of this sub-section the expression “annual charge” does not include any tax in respect of property or income from property levied by a local authority or a State Government or the Central Government.

3. **Section 2 not to apply in certain cases.**—Where before the 7th day of October, 1950, the Supreme Court has, on an appeal in respect of the assessment of an assessee for any particular year, held that any tax paid by that assessee in respect of the relevant previous year is an “annual charge not being a capital charge” within the meaning of clause (iv) of sub-section (1) of section 9 of the said Act, then nothing contained in section 2 of this Act shall apply to the assessment of such assessee for that particular year.

4. **Special procedure for revision in certain cases.**—Where in respect of any assessment of an assessee under the head “Income from property”, other than an assessment referred to in section 3, an allowance has, between the 26th day of May, 1950, and the 7th day of October, 1950, been made by an Income-tax authority or the Appellate Tribunal in respect of any municipal or other taxes levied by a local authority or a State Government as an annual charge not being a capital charge, the income-tax Officer shall revise the assessment by excluding such allowance, and if, in consequence of such revision, any tax is found payable by the assessee, the Income-tax Officer shall serve on the assessee a notice of demand specifying the sum so payable, and such notice of demand shall be deemed to be issued under section 29 of the said Act, and the provisions of the said Act shall apply accordingly.

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5. Amendment of section 9 (2), Act XI of 1922.—(1) As from the 1st day of April, 1951, for sub-section (2) of section 9 of the said Act, the following sub-section shall be substituted, namely:—

“(2) For the purposes of this section, the annual value of any property shall be deemed to be the sum for which the property might reasonably be expected to let from year to year:

Provided that where the property is in the occupation of the owner for the purposes of his own residence and the aforesaid sum exceeds ten per cent. of the total income of the owner, the annual value of the property shall be deemed to be ten per cent. of such total income;

Provided further that where the property is in the occupation of a tenant and the taxes levied by any local authority in respect of the property are, under the law authorising such levy, payable wholly by the owner or partly by the owner and partly by the tenant—

(a) one-half of the total amount of such taxes or one-eighth of the annual value of the property, whichever is less, shall, notwithstanding anything contained in such law, be deemed to be the tenant's liability for such taxes, and

(b) in determining the annual value of the property with reference to the rent payable by the tenant, a deduction shall be made equal to that part, if any, of the tenant's liability which is borne by the owner.”

(2) The amendment made by sub-section (1) shall apply to all assessments for the year ending on the 31st day of March, 1952, and for any subsequent year.

6. Repeal of Ordinance XXVIII of 1950.—(1) The Indian Income-tax (Amendment) Ordinance, 1950 (XXVIII of 1950) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by this Act, as if this Act were in force on the day on which such thing was done or action was taken.