

INDIAN INCOME-TAX (AMENDMENT) ACT, 1959

No. 1 OF 1959

[12th March, 1959]

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

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. This Act may be called the Indian Income-tax (Amendment) Act, 1959. Short title.

11 of 1922. 2. In section 34 of the Indian Income-tax Act, 1922 (hereinafter referred to as the principal Act), after sub-section (3), the following sub-section shall be inserted, namely:— Amendment of section 34.

18 of 1956. “(4) A notice under clause (a) of sub-section (1) may be issued at any time notwithstanding that at the time of the issue of the notice the period of eight years specified in that sub-section before its amendment by clause (a) of section 18 of the Finance Act, 1956, had expired in respect of the year to which the notice relates.”

3. After section 49E of the principal Act, the following section shall be inserted, namely:— Insertion of new section 49EE.

“49EE. (1) Where in pursuance of any settlement relating to the assessment, re-assessment or case of any person made or purported to have been made before the 17th day of January, 1959, whether under this Act or otherwise, any sum of money or any security for the payment of any sum of money has been paid or furnished by him, or on his behalf by any other person, no claim for the refund of any sum so paid or for the return of any security so furnished shall be entertained or allowed on the ground that the settlement is invalid— Power to set off in certain cases moneys in the possession of Government against tax found due under assessments etc., thereafter to be made.

(a) in any case where a notice under section 34 in respect of the income, profits or gains relating to the settlement aforesaid has been issued before the 17th day of January, 1959, and

(b) in any other case, for a period of two years from that date and, if during the period of the said two years any notice under section 34 is issued, pending the completion of the assessment, re-assessment or settlement in pursuance of such notice;

and, accordingly, no application, suit or other legal proceeding for the refund of any such money or the return of any such security shall lie or be allowed to continue—

(i) pending the completion of the assessment, re-assessment or settlement in pursuance of the notice referred to in clause (a); or

(ii) during the period of two years referred to in clause (b) or pending the completion of the assessment, re-assessment or settlement in pursuance of the notice referred to in that clause.

(2) The Income-tax Officer, Appellate Assistant Commissioner or the Commissioner, as the case may be, may set off the amount referred to in sub-section (1) or the amount of the security referred to in that sub-section which may be realised for the purpose against the tax, interest, penalty or any other sum which may become payable by reason of any assessment, re-assessment or settlement made in pursuance of the notice referred to in clause (a) of that sub-section or in pursuance of any such notice issued within the period of two years referred to in clause (b) of that sub-section.

(3) In computing the period of limitation prescribed for any legal proceeding in relation to any such sum or security aforesaid, the time during which any such proceeding cannot be instituted by reason of the provisions contained in sub-section (1) shall be excluded.”

Saving of notices, assessments, etc., in certain cases.

4. No notice issued under clause (a) of sub-section (1) of section 34 of the principal Act at any time before the commencement of this Act and no assessment, re-assessment or settlement made or other proceeding taken in consequence of such notice shall be called in question in any court, tribunal or other authority merely on the ground that at the time the notice was issued or at the time the assessment or re-assessment was made, the time within which such notice should have been issued or the assessment or re-assessment should have been made under that section as in force before its amendment by clause (a) of section 18 of the Finance Act, 1956, had expired.

Repeal and saving.

5. (1) The Indian Income-tax (Amendment) Ordinance, 1959, is hereby repealed.

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