

# THE TAXATION LAWS (AMENDMENT) ACT, 1962

No. 54 OF 1962

[13th December, 1962]

An Act further to amend the Income-tax Act, 1961 and the Wealth-tax Act, 1957.

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

1. This Act may be called the Taxation Laws (Amendment) Act, Short title. 1962.

43 of 1961. 2. In section 2 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in clause (14), after sub-clause (iii), the following sub-clause shall be inserted, namely:— Amend-  
ment of  
section 2.

“(iv) 6½ per cent. Gold Bonds, 1977 issued by the Central Government;”.

3. In section 88 of the Income-tax Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:— Amend-  
ment of  
section 88.

“(1) Subject to the provisions of this section, the assessee shall be entitled to a deduction from the amount of income-tax on his total income with which he is chargeable for any assessment year of an amount equal to the income-tax calculated at the average rate of income-tax on any sums paid by him in the previous year—

(i) as donations to the National Defence Fund set up by the Central Government; or

(ii) as donations to any other fund or any institution to which this section applies; or

(iii) as donations to Government or to any local authority made on or after the 1st April, 1960, to be utilised for any charitable purpose.”;

(ii) in sub-section (3), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that where any sum paid during the previous year includes any donation to the National Defence Fund set up by the Central Government the amount covered by that donation shall be excluded in calculating the limits specified in this sub-section.”;

(iii) in sub-section (5), for the words “only to donations to an institution or fund established in India for a charitable purpose which”, the following shall be substituted, namely:—

“to donations to any institution or fund referred to in clause (ii) of sub-section (1), only if it is established in India for a charitable purpose and if it”.

Amend-  
ment of  
Section 193.

4. To section 193 of the Income-tax Act, the following proviso shall be added, namely:—

“Provided that no tax shall be deducted from any interest payable on 4½ per cent. National Defence Bonds, 1972 or 6½ per cent. Gold Bonds, 1977, where any such Bonds are held by an individual, not being a non-resident, and in the case of the Gold Bonds, the holder thereof makes a declaration in writing before the person responsible for paying the interest that the total nominal value of the Gold Bonds held by him including the Gold Bonds, if any, held on his behalf by any other person did not exceed ten thousand rupees at any time during the period to which the interest relates.”

Amend-  
ment of  
section 5  
of Act 27  
of 1957.

5. In section 5 of the Wealth-tax Act, 1957,—

(i) in sub-section (1), after clause (xvi), the following clause shall be inserted, namely:—

“(xvii) 6½ per cent. Gold Bonds, 1977;”;

(ii) in sub-section (2), for the word, brackets and figures “clause (xvi)”, the words, brackets and figures “clause (xvii) or clause (xvii)” shall be substituted.