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Title : Regarding amendments to the Taxation Laws (Amendment) Bill, 2005.

SHRI P. CHIDAMBARAM: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.10 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved."

MR. DEPUTY-SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.10 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved."

*The motion was adopted.*

## **New Clause 5A**

*Amendment made:*

Page 3, after line 41, insert, –

'Amendment of  
section 35AC.

5A. In section 35AC of the Income-tax Act, after sub-section (2), the following *Explanation* shall be inserted with effect from the 1<sup>st</sup> day of April, 2006, namely:--

*"Explanation.â€"*The deduction, to which the assessee is entitled in respect of any sum paid to a public sector company or a local authority or to an association or institution for carrying out the eligible project or scheme referred to in this section applies, shall not be denied merely on the ground that subsequent to the payment of such sum by the assessee, –

(a) the approval granted to such association or institution has been withdrawn; or

(b) the notification notifying eligible project or scheme carried out by the public sector company or local authority or association or institution has been withdrawn."'. (10)

MR. DEPUTY-SPEAKER: The question is:

"That new clause 5A be added to the Bill."

*The motion was adopted.  
New Clause 5A was added to the Bill.*

**Motion Re: Suspension of Rule 80 (i)**

SHRI P. CHIDAMBARAM: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.11 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved."

MR. DEPUTY-SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.11 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved. "

*The motion was adopted.*

**New Clause 5B**

*Amendment made:*

Page 3, after line 41, insert, –

'Amendment of  
section 35CCA.

5B. In section 35CCA of the Income-tax Act, after sub-section (2A), the following *Explanation* shall be inserted with effect from the 1<sup>st</sup> day of April, 2006, namely:--

*"Explanation."* The deduction, to which the assessee is entitled in respect of any sum paid to an association or institution for carrying out the programme of rural development referred to in sub-section (1), shall not be denied merely on the ground that subsequent to the payment of such sum by the assessee, the approval granted to such programme of rural development, or as the case may be, to the association or institution has been withdrawn." '.

MR. DEPUTY-SPEAKER: The question is:

"That new clause 5B be added to the Bill."

*The motion was adopted.  
New Clause 5B was added to the Bill.  
Clauses 6 to 8 were added to the Bill.*

**Motion Re: Suspension of Rule 80 (i)**

SHRI P. CHIDAMBARAM: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.12 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved."

MR. DEPUTY-SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.12 to the Taxation Laws (Amendment) Bill, 2005 and that this amendment may be allowed to be moved. "

*The motion was adopted.*

**New Clause 8A**

*Amendment made:*

Page 4, after line 42, insert, –

'Amendment of  
section 80GGA.

8A. In section 80GGA of the Income-tax Act, in sub-section (2), with effect from the 1<sup>st</sup> day of April, 2006, –

(a) after clause (aa), the following *Explanation* shall be inserted, namely: –

*"Explanation.â€œThe deduction, to which the assessee is entitled in respect of any sum paid to a scientific research association, University, college or other institution to which clause (a) or clause (aa) applies, shall not be denied merely on the ground that, subsequent to the payment of such sum by the assessee, the approval to such association, University, college or other institution referred to in clause (a) or clause (aa), as the case may be, has been withdrawn;" ;*

(b) after clause (b), the following *Explanation* shall be inserted, namely: –

*"Explanation."* "The deduction, to which the assessee is entitled in respect of any sum paid to an association or institution for carrying the programme of rural development to which this clause applies, shall not be denied merely on the ground that subsequent to the payment of such sum by the assessee, the approval granted to such programme, or as the case may be, to the association or institution has been withdrawn.";

(c) in clause (bb), the *Explanation* shall be numbered as *Explanation 2* thereof and before the *Explanation 2* as so numbered, the following *Explanation* shall be inserted, namely: –

*"Explanation 1."* "The deduction, to which the assessee is entitled in respect of any sum paid to a public sector company, or to a local authority or to an association or institution for carrying out eligible project or scheme referred to in section 35AC, shall not be denied merely on the ground that subsequent to the payment of such sum by the assessee, –

(a) the approval granted to such association or institution has been withdrawn; or

(b) the notification notifying eligible project or scheme referred to in section 35AC carried out by the public sector company, or local authority or association or institution has been withdrawn;" '.

(12)

(Shri P. Chidambaram)

MR. DEPUTY-SPEAKER: The question is:

"That new clause 8A be added to the Bill."

*The motion was adopted.*

*New Clause 8A was added to the Bill.*

*Clauses 9 to 36 were added to the Bill.*

### **Clause 37**

SHRI P. CHIDAMBARAM : Sir, with your leave, Clause 37, the Government wishes this clause to be negatived for the following reasons. Clause 37 was originally introduced in the Bill because as the CST Act had been amended earlier, there was a clear lacuna that the appeal had been provided against any order of a State authority which meant that even an assessment order by an assessing officer came up for an appeal to the Central Appellate Authority.

Obviously, that was not the intention. It was simply an error of the draftsman, of the mover of the Bill at that time. I am not blaming anyone. There was an oversight. So, we introduced clause 37 to take care of that and we had notified the authority under section 24(1) and not under 19, which again was trying to correct an error but the earlier error was there. Now, Sir, we have since corrected it by amending the Central Sales Tax Act as part of the Finance Bill, which was adopted a few months ago and, therefore, clause 37 is no longer required. I am requesting the House to negatively vote out clause 37.

MR. DEPUTY-SPEAKER: The question is:

"That clause 37 stand part of the Bill."

*The motion was negatived.*

MR. DEPUTY-SPEAKER: The question is:

"That the Schedule stand part of the Bill."

**The motion was adopted.**

*The Schedule was added to the Bill.*

**Clause 1 Short title**

*Amendments made:*

Page 1, line 4,--

*for "2005", substitute "2006" (2)*

Page 1, *omit* lines 5 and 6 (3)

(Shri P. Chidambaram)

MR. DEPUTY-SPEAKER: The question is:

"That clause 1, as amended, stand part of the Bill. "

*The motion was adopted.*

*Clause 1, as amended, was added to the Bill.*

**ENACTING FORMULA**

*Amendment made:*

Page 1, line 1,--

*for "Fifty-sixth Year", substitute "Fifty-seventh Year" (1)*

(Shri P. Chidambaram)

MR. DEPUTY-SPEAKER: The question is:

"That Enacting Formula, as amended, stand part of the Bill. "

*The motion was adopted.*  
*Enacting Formula, as amended, was added to the Bill.*  
*The Long Title was added to the Bill.*

SHRI P. CHIDAMBARAM : Sir, I beg to move:  
"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER: The question is:  
"That the Bill, as amended, be passed."

*The motion was adopted.*  
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