

JOINT/ SELECT COMMITTEE REPORTS OF LEGISLATIVE ASSEMBLY -1924

The Indian Income-tax (Amendment) Bill

List of Reports of Select or Joint Committees
presented in the Legislative Assembly in 1924.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Central Board of Revenue Bill.	18.2.24.	
.	The Indian Coinage Bill.	18.2.24.	
.	The Indian Penal Code(Amendment) Bill.	19.2.24.	
.	The Indian Tariff(Amendment) Bill.	26.2.24.	
5.	The Indian Income-tax(Amendment) Bill.	10.3.24.	
6.	The Indian Penal Code(Amendment) Bill(Age of Consent) by Dr. Hari Singh Gour.	15.3.24.	
7.	The Steel Industry(Protection) Bill.	30.5.24.	
8.	The Imperial Bank of India Bill.	8.9.24.	
9.	The Indian Criminal Law(Amendment) Bill.	10.9.24.	
10.	The Indian Merchant Shipping(Amendment) Bill.	11.9.24.	
11.	The Land Customs Bill.	11.9.24.	

LEGISLATIVE DEPARTMENT.

We, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Income-tax Act, 1922 for certain purposes was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

After careful examination of the four main objects of the Bill we are satisfied of the necessity for the amendments proposed. We desire, however, to make it clear that clause 2 (now clause 3) is not intended to be, and should not be, used for the purpose of directly taxing Provident Funds of private companies and firms which should continue to be immune from assessment to income-tax, otherwise than by deduction at the source of income-tax upon their income from investments, and from assessment to super-tax altogether. We have received an assurance on behalf of Government that there is no intention of making any innovation in this respect.

We now proceed to explain the more important of the amendments which we have made in the Bill.

*2 Clause 2 and clause 8 (now clause 9).—*Clause 8 of the Bill as introduced provided that any notice or requisition under the Act might in the case of an association be served on any member

thereof. This appears to us to be unsuitable in such a case, for example, as that of a club, and we have accordingly provided for service on the principal officer of any such association. This has involved the insertion of a new clause (clause 2) which makes a slight amendment in the definition of "principal officer" contained in section 2 of the Act for the purpose of enabling the use of the phrase in connection with an association other than a public association. The subsequent clauses of the Bill have been re-numbered accordingly.

*3. (Clause 9 (now clause 10).—*We think that the period of one month, provided by this clause as originally framed, would in many cases not be sufficiently long to enable an assessee to take advantage of the provisions of sub-section 3 of section 66 of the Act. We have accordingly increased this period of limitation to six months and have provided that the period shall not commence to run until the assessee has received notice of the Commissioner's refusal to state a case.

4. The Bill was published in the Gazette of India, dated the 9th February 1924.

5. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

BASIL P. BLACKETT.

M. A. JINNAH.

W. S. J. WILLSON.

HUGH G. COCKE.

PURSHOTAMDAS THAKURDAS

B. DAS.

A. TOTTENHAM.

GULAM BARI.

S. C. GHOSE.

DELHI :

The 10th March, 1924. }

[Words printed in italics indicate the amendments suggested by the Committee.]

A

BILL

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

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

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1924.
Short title and commencement.

(2) Sections 4, 5, 6 and 10 shall not come into force until the first day of April, 1924.

2. In clause (12) of section 2 of the Indian Income-tax Act, 1922 (*here- XI of 1922.*
Amendment of section 2, Act XI of 1922. *after referred to as the said Act*), after the words “any other public body or” the word “any” shall be inserted.

3. In section 3 of the said Act, for the words “individual, company, firm and Hindu undivided family” the words “individual, Hindu undivided family, company, firm and other association of individuals” shall be substituted.
Amendment of section 3, Act XI of 1922.

4. In clause (iv) of sub-section (3) of section 4 of the said Act, the words “or any Provident Insurance Society to which the Provident Insurance Societies Act, 1912, is, V of 1912.
Amendment of section 4, Act XI of 1922. or, but for an exemption under that Act, would be, applicable” shall be omitted.

5. In sub-section (1) of section 15 of the said Act, the words “or to any Provident Fund which complies with the provisions of the Provident Insurance Societies Act, 1912, or has been exempted from the provisions of that Act” shall be omitted.
Amendment of section 15, Act XI of 1922. V of 1912.

6 In section 25 of the said Act,—
Amendment of section 25, Act XI of 1922.

(a) in sub-section (1) for the words and figures “commenced after the 31st day of March, 1922” the words and figures “on which income tax was not at any time charged under the provisions of the Indian Income-tax Act, 1918” shall be substituted; VII of 1918
and

(b) in sub-section (3) the words “which was in existence at the commencement of this Act, and” shall be omitted.

7. In section 55 of the said Act, for the words “individual, unregistered firm, Hindu undivided family or company” the words “individual, Hindu undivided family, company, unregistered firm or
Amendment of section 55, Act XI of 1922.

other association of individuals, not being a registered firm," shall be substituted.

8. In section 56 of the said Act, for the words "individual, unregistered firm, Hindu undivided family or company" the words "individual, Hindu undivided family, company, unregistered firm or other association of individuals" shall be substituted.

9. To sub-section (2) of section 63 of the said Act, after the words "*member of the family*" the words "*and, in the case of any other association of individuals, he addressed to the principal officer thereof*" shall be added.

10. In sub-section (3) of section 66 of the said Act, after the words "the assessee may" the words "within six months from the date on which he is served with notice of the refusal" shall be inserted.

11. The amendments made in the said Act by sections 3, 7 and 8 shall have retrospective effect as if they had been made on the first day of April, 1923, and income-tax and super-tax shall be deemed to have been chargeable for the year commencing on that date in respect of the income, profits and gains and of the total income, respectively, of the previous year of every association of individuals, not being a company or a registered firm, at the rate or rates applicable for that year to the total income of an individual.

GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

Report of the Select Committee on the
Bill further to amend the Indian
Income-tax Act, 1922, for certain
purposes.

(Bill as amended.)