

JOINT/SELECT COMMITTEE REPORTS OF LEGISLATIVE ASSEMBLY - 1934

**The Indian Income-Tax
(Amendment) Bill by Sir Hari
Singh Gour**

List of Reports of Select or Joint Committees
presented to the Legislative Assembly in 1934.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Indian Tariff(Amendment) Bill.	5. 2.34.	
2.	The Indian States(Protection) Bill.	14. 2.34.	
3.	The Negotiable Instruments(Amendment)Bill.	26. 2.34.	
4.	The Factories Bill.	27. 2.34.	
5.	The Indian Tariff(Textile Protection) Amendment Bill.	2. 4.34.	
6.	The Sugar (Excise Duty) Bill.	10. 4.34.	
7.	The Matches (Excise Duty) Bill.	14. 4.34.	
8.	The Indian Dock Labourers Bill.	16. 7.34.	
9.	The Mechanical Lighters(Excise Duty) Bill.	23. 7.34.	
10.	The Indian Carriage by Air Bill.	25. 7.34.	
11.	The Indian Aircraft Bill.	25. 7.34.	
12.	The Hedjaz Pilgrims(Muallims) Bill(<u>Second Report of the Select Committee</u>)	2. 8.34.	
13.	The Indian Army (Amendment) Bill.	7. 8.34.	
14.	The Indian Iron and Steel Duties Bill.	13. 8.34.	
15.	The Indian Petroleum Bill.	14. 8.34.	
16.	The Indian Income-tax(Amendment) Bill by Sir Hari Singh Gour.	22. 8.34.	
17.	The Indian Navy (Discipline) Bill.	25. 8.34.	

LEGISLATIVE ASSEMBLY.

WE, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Income-tax Act, 1922, was referred, have

Papers Nos. I—VII. considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill annexed thereto.

2. The Committee held a preliminary meeting on the 4th day of March, 1933, at which the Honourable Finance Member explained the attitude of Government towards the Bill. Government, he said could not accept the Bill in its present form, and found the balance of the opinions received on circulation of the Bill to be against it. At the same time Government recognized that there was a considerable volume of opinion in favour of the provision of some more extended form of appeal than was to be found at present in the Act, and if a satisfactory scheme could be devised which would not involve prohibitive expenditure or adversely affect collection of the tax, Government would be prepared to consider it sympathetically. Government could not agree to any alteration in income-tax collection procedure in the lower stages, and would insist on the recirculation of the Bill even if an apparently satisfactory scheme for a new appellate authority was evolved.

3. A subsequent meeting of the Committee was held during the spring Session of the present year at which no further progress was recorded, but the Member in Charge undertook to prepare redrafts of the Bill.

4. During the present Session a motion was made for the continuance of the Bill, and the Committee again met on the 10th August, 1934. At that and subsequent meetings an alternative draft of the Bill prepared by the Member in Charge was discussed. In the course of these discussions it became clear that no solution acceptable to both the Government and the authors of the Bill would be forthcoming and in these circumstances the latter had to recognise that there was small chance of any Bill being passed into law during the present

Session. The Government, however, stated that they were proposing to secure the services of one or more Income-tax Experts from the British Inland Revenue Department in order to conduct an exhaustive examination of the Indian Income-tax system and that they would be fully prepared to call the special attention of these Experts to the opinions which had been expressed and the dissatisfaction which was felt at the absence of any outside appeal on questions of fact.

5. In the light of this assurance the Select Committee recommend that apart from the presentation of this report by the Member in Charge of the Bill no further motion on the Bill be made during this Session.

6. The Bill was published as follows :—

IN ENGLISH.

<i>Gazette.</i>	<i>Date.</i>
Gazette of India ..	.. 20th February, 1932.
Fort St. George Gazette ..	.. 8th March, 1932.
Bombay Government Gazette ..	.. 27th October, 1932.
Calcutta Gazette ..	.. 27th October, 1932.
United Provinces Gazette ..	.. 29th October, 1932.
Punjab Government Gazette ..	.. 18th November, 1932.
Burma Gazette ..	.. 22nd October, 1932.
Central Provinces Gazette ..	.. 5th March, 1932.
Assam Gazette ..	.. 26th October, 1932.
Bihar and Orissa Gazette ..	.. 30th March, 1932.
Coorg District Gazette ..	.. 1st November, 1932.
Sind official Gazette ..	.. 27th October, 1932.
North-West Frontier Gazette ..	.. 28th October 1932.

IN THE VERNACULARS.

<i>Province.</i>	<i>Language.</i>	<i>Date.</i>
Madras ..	.. Oriya ..	.. 10th January, 1933.
	.. Tamil ..	.. 22nd November, 1932.
	.. Telugu ..	.. 15th November, 1932.
	.. Hindustani ..	.. 8th November, 1932.
	.. Kanarese ..	.. 15th November, 1932.
Bombay ..	.. Malayalam ..	.. 15th November, 1932.
	.. Marathi ..	.. 24th November, 1932.
	.. Gujarathi ..	.. 24th November, 1932.
	.. Kanarese ..	.. 24th November, 1932.
Sind ..	.. Sindhi ..	.. 10th November, 1932.

N. N. SIRCAR.
P. G. GRIGG.
H. S. GOUR.
GAYA PRASAD SINGH.
B. V. JADHAV.
SANT SINGH.
H. P. MODY.
M. C. RAJAH.
C. S. RANGA IYER.
S. R. PANDIT.
ZIAUDDIN AHMAD.
AMAR NATH DUTT.
G. KRISHNAMACHARIAR,

SIMLA ;
The 21st August, 1934.

A

BILL

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

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

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 193 .

(2) It extends to the whole of British India, including British Baluchistan and the Southal Parganas, and applies also, within the dominions of Princes and Chiefs in India in alliance with His Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor General in Council in that behalf, and to all other servants of His Majesty in those dominions.

(3) It shall come into force at once.

2. In section 5 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), the following sub-sections shall be inserted, namely:—

Of. S. 64, Eng. Income-tax Act, 1918.

“(7) There shall be constituted for each district or division or a specified area as the case may be a tribunal to control the assessment of income-tax, to hear all appeals against such assessment, and generally to execute the Act.

(8) Such tribunal shall comprise a judicial officer not below the rank of District Judge, a member of the legal profession of not less than 10 years' standing appointed on the nomination of the District Bar Association, and where a High Court exists upon the nomination of the High Court Bar Association and a member of the District Council or Municipal Committee appointed at a joint meeting of those bodies.

(9) Such tribunal shall decide all questions by a majority provided that it shall be competent to the tribunal or the majority of its members to refer any question for decision of the High Court.

Of. SS. 147, 195, Eng. Income-tax Act, 1918.

(10) For the purpose of deciding any question referred to it for decision it shall be competent to co-opt any person specially conversant with the subject. Upon such co-option the person so co-opted shall become a member of the Court for the purpose of deciding the question referred to it of which it may take upon itself to decide.”

3. In section 23 of the said Act,—

Amendment of section
23, Act XI of 1922.

- (i) in sub-section (1), after the words "If the Income-tax Officer" the words "with the concurrence of three or more assessors" shall be inserted;
- (ii) in sub-section (2), after the words "If the Income-tax Officer" the words "with the concurrence of three or more assessors" shall be inserted, and
- (iii) in sub-section (3), after the words "Income-tax Officer", where they first occur, the words "in the presence of three or more assessors if the assessee so desires" shall be inserted.

4. In section 30 of the said Act, for the words

Amendment of section
30, Act XI of 1922. "Assistant Commissioner", wherever they occur, the words "Income-tax Tribunal" shall be substituted.

5. In section 31 of the said Act, for the words

Amendment of section
31, Act XI of 1922. "Assistant Commissioner", wherever they occur, the words "Income-tax Tribunal" shall be substituted.

6. In section 32 of the said Act,—

Amendment of section
32, Act XI of 1922.

(1) in sub-section (1),—

- (a) for the words "an Assistant Commissioner" the words "the Income-tax Tribunal" shall be substituted; and
- (b) for the word "Commissioner" the words "High Court" shall be substituted;

(2) in sub-section (3), for the word "Commissioner" the words "High Court" shall be substituted.

7. In section 33 of the said Act, for the word

Amendment of section
33, Act XI of 1922. "Commissioner", wherever it occurs, the words "High Court" shall be substituted.

8. In section 37 of the said Act, for the words

Amendment of section
37, Act XI of 1922. "Assistant Commissioner and Commissioner" the words "Income-tax Tribunal both General and Special and the High Court" shall be substituted.

***Cf. Ib. S. 149.* 9. In sub-section (2) of section 66 of the said**

Amendment of section
66, Act XI of 1922. Act, for the words "one hundred rupees" the words "fifteen rupees" shall be substituted.

GOVERNMENT OF INDIA.
LEGISLATIVE ASSEMBLY
DEPARTMENT.

Report of the Select Committee on the Bill
further to amend the Indian Income-tax
Act, 1922; with the Bill as reported.