

**JOINT /SELECT
COMMITTEE REPORTS OF
LEGISLATIVE ASSEMBLY -
1948**

The Estate Duty Bill

List of Reports of Select Committees presented to
the Constituent Assembly of India(Legislative)
in 1948.

S. No.	Short title of the Bill.	Date of presentation.	Date of publication.
1.	The Minimum Wages Bill./	28.1.48.	7.2.48.
2.	The Industrial Finance Corporation Bill.	28.1.48.	7.2.48.
3.	The Dock Workers (Regulation of Employment) Bill.	28.1.48.	7.2.48.
4.	The Pharmacy Bill.	28.1.48.	7.2.48.
5.	The Damodar Valley Corporation Bill.	28.1.48.	7.2.48.
6.	The Indian Army and the Indian Air Force(Amenment) Bill. /	28.1.48.	14.2.48.
7.	The Dentists Bill. /	28.1.48.	14.2.48.
8.	The Rehabilitation Finance, Administration Bill.	9.2.48.	21.2.48.
9.	The Workmen's State Insurance, Bill.	11.2.48.	21.2.48.
10.	The Electricity(Supply) Bill./	4.3.48.	20.3.48.
11.	The Taxation on Income(Investigation Commission) (Amdt.)Bill,	8.3.48.	20.3.48.
12.	The Provincial Insolvency (Amendment) Bill.	16.3.48.	20.3.48.
13.	The Indian Finance Bill.	22.3.48.	27.3.48.
14.	The Delhi and Ajmer-Merwara Land Development Bill.	29.3.48.	3.4.48.
15.	The Estate Duty Bill. (PRELIMINARY REPORT)	9.8.48.	14.8.48.
	The Factories Bill./	9.8.48.	21.8.48.

S. No.	Short title of the Bill.	Date of presentation.	Date of publication.
17.	The Hindu Code.	12.8.48.	21.8.48.
18.	The Income-tax and Business Profits Tax (Amdt.) Bill.	13.8.48.	21.8.48.
19.	The Indian Railways (Second Amendment) Bill.	24.8.48.	11.9.48.
20.	The Mines and Minerals (Regulation and Development) Bill.	25.8.48.	11.9.48.
21.	The Central Silk Board Bill.	26.8.48.	11.9.48.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

**PRELIMINARY REPORT OF THE SELECT COMMITTEE ON THE
ESTATE DUTY BILL, 1948.**

We, the undersigned, members of the Select Committee to which the Bill to provide for the levy and collection of an estate duty in the Provinces of India was referred, met on the 2nd of August, 1948, to consider the Bill.

2. At this meeting, the Honourable the Finance Minister who is in charge of the Bill, with the permission of the Chairman, proposed that the consideration of the Bill by the Select Committee be postponed till the next Budget Session.

3. One of the grounds urged by the Honourable the Finance Minister was that the Bill was intimately connected with another Bill, namely, the Bill to codify the Hindu law, inasmuch as the application of the Estate Duty Act would be well nigh impossible so long as the joint family under the Mitakshara system continued to be recognised by law as a unit for purposes of taxation. The levy of any duty on the death of a member of a Hindu coparcenary is foreign to the fundamental principle of coparcenary under the Mitakshara law. No individual member of such family can predicate that he has a definite share in the property. His interest is a fluctuating interest capable of being enlarged on deaths in the family or liable to be diminished by births. The provisions of the Hindu Code regarding succession or the structure of a joint family would have a considerable bearing as to how the duty should be levied on the death of a member of such family, and it was, therefore, urged that the consideration of the Bill should await the passing of the Hindu Code.

4. The second point urged by the Honourable the Finance Minister in support of his proposal was that under clause 19 of the Bill immovable property situate outside the provinces of India is exempt and movable property so situate is also exempt in certain circumstances. This would mean the flight of capital to Indian States for investment in immovable and movable properties, unless the States also introduce similar legislation and bring their level of taxation to that prevailing in the Provinces of India. The question of integration of fiscal policy of the States with that of the Government of India has been taken up, but it would be some time before the relationship of the States with the Centre and their fiscal obligations and rights are determined and stabilised.

5. The Honourable the Finance Minister also urged that the Finance Ministry would like to have further time to scrutinise the provisions embodied in the Bill, as further consideration has shown that certain provisions have been rather hastily drafted and without full examination. The Central Board of Revenue, which is charged with the duty of administering the Estate Duty Act, thinks that it should be given time to revise some of the provisions of the Bill.

6. We have given anxious consideration to the proposal of the Finance Minister. We realize that to a very large extent the points raised by him were present to the mind of the members of the Legislature when it passed the motion to refer the Bill to the Select Committee and therefore cannot be said to raise questions which are new. Nevertheless the Committee with the exception of one member Mr. Sidhva felt that the arguments advanced by the Honourable the Finance Minister in support of his proposition that the consideration of the Bill by the Select Committee be postponed are weighty and should be allowed.

7. Accordingly we have resolved not to consider the Bill clause by clause as we were bound to do. We therefore report that we have at this stage no report to make.

B. R. AMBEDKAR.

R. K. SHANMUKHAM CHETTY.

K. SANTHANAM.

T. A. RAMALINGAM CHETTIYAR.

SATYANARAYAN SINHA.

M. ANANTHASAYANAM AYYANGAR.

NAZIRUDDIN AHMAD.

S. V. KRISHNAMURTHY RAO.

SURENDRA MOHAN GHOSE.

* R. K. SIDHVA.

ROHINI KUMAR CHAUDHURY.

RAM SAHAI.

V. C. KESAVA RAO.

NEW DELHI;

The 9th August, 1948.

* Subject to a Minute of Dissent.

MINUTE OF DISSENT

There was sufficient time for the Ministry to study the points raised in the report between the time the Bill was introduced and the day Select Committee met.

NEW DELHI;
The 9th August, 1948.

R. K. SIDHVA.