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प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on the 8th August, 1972:—

BILL No. 69 OF 1972

A Bill further to amend the Income-tax Act, 1961 and to provide for barring, in the computation of total income in respect of certain assessment years prior to the assessment year 1962-63, deduction of amounts paid on account of wealth-tax.

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

1. This Act may be called the Income-tax (Amendment) Act, 1972. Short title.
- 43 of 1961. 2. In section 40 of the Income-tax Act, 1961 (hereinafter referred to as the principal Act), after sub-clause (ii) of clause (a), the following sub-clause shall be, and shall be deemed always to have been, inserted, Amendment of section 40.
namely:—

‘(ia) any sum paid on account of wealth-tax.

Explanation.—For the purposes of this sub-clause, “wealth-tax” means wealth-tax chargeable under the Wealth-tax Act, 1957 or any

tax of a similar character chargeable under any law in force in any country outside India or any tax chargeable under such law with reference to the value of the assets of, or the capital employed in, a business or profession carried on by the assessee, whether or not the debts of the business or profession are allowed as a deduction in computing the amount with reference to which such tax is charged, but does not include any tax chargeable with reference to the value of any particular asset of the business or profession;’.

**Amend-
ment of
section 58.**

3. Section 58, as originally enacted, of the principal Act shall be deemed always to have been re-numbered as sub-section (1) thereof, and after that sub-section, the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

‘(1A) The provisions of sub-clause (iia) of clause (a) of section 40 shall, so far as may be, apply in computing the income chargeable under the head “Income from other sources” as they apply in computing the income chargeable under the head “Profits and gains of business or profession”.’.

**Wealth-
tax not
deductible
in com-
puting
the total
income
for
certain
assess-
ment
years.**

4. Nothing contained in the Indian Income-tax Act, 1922 shall be deemed to authorise, or shall be deemed ever to have authorised, any deduction in the computation of the income of any assessee chargeable under the head “Profits and gains of business, profession or vocation” or “Income from other sources” for the assessment year commencing on the 1st day of April, 1957 or any subsequent assessment year, of any sum paid on account of wealth-tax. 11 of 1922.

Explanation.—For the purposes of this section, “wealth-tax” shall have the same meaning as is assigned to it in the *Explanation* to sub-clause (iia) of clause (a) of section 40 of the principal Act.

**Saving in
certain
cases.**

5. Where, before the 15th day of July, 1972 [being the date on which the Income-tax (Amendment) Ordinance, 1972 came into force], the Supreme Court has, on an appeal in respect of the assessment of an assessee for any particular assessment year, held that wealth-tax paid by the assessee is deductible in computing the total income of that year, then, nothing contained in sub-clause (iia) of clause (a) of section 40, or sub-section (1A) of section 58, of the principal Act, as amended by this Act, or, as the case may be, section 4 of this Act, shall apply to the assessment of such assessee for that particular year. 7 of 1972.

**Repeal
and
saving.**

6. (1) The Income-tax (Amendment) Ordinance, 1972, is hereby repealed. 7 of 1972.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance or under section 5 or section 6 of the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act or under section 4 or section 5 of this Act, as the case may be, as if this Act had come into force on the 5th day of July, 1972.

STATEMENT OF OBJECTS AND REASONS

In the recent case of *Indian Aluminium Co. Ltd. vs. Commissioner of Income-tax* [(1972) 84 I.T.R. 735], the Supreme Court virtually overruled its earlier decision in *Travancore Titanium Products Ltd. vs. Commissioner of Income-tax* [(1966) 60 I.T.R. 277] and held that wealth-tax paid by an assessee in respect of business assets is deductible as a business expense in computing the assessee's income from business. For restoring the position as it obtained earlier, the Income-tax (Amendment) Ordinance, 1972 was promulgated by the President on July 15, 1972.

2. The Ordinance amended the Income-tax Act, 1961 retrospectively, from April 1, 1962 to provide that wealth-tax payable by a person deriving income chargeable under the head "Profits and gains of business or profession" or "Income from other sources" will not be allowed as a deduction in computing the taxable income under these heads. The Ordinance also made an independent provision to secure that wealth-tax payable by a person will not be allowed as a deduction in computing the taxable income under the head "Profits and gains of business, profession or vocation" or "Income from other sources" under the Indian Income-tax Act, 1922 (since repealed) for the assessment years 1957-58 to 1961-62. For the purposes of the aforesaid provisions, the term "wealth-tax" has been defined to mean wealth-tax chargeable under the Wealth-tax Act, 1957 or any tax of a similar character chargeable under any law in force in any foreign country or any tax chargeable under such law with reference to the value of the assets of, or the capital employed in, a business or profession carried on by the tax-payer, whether or not the debts of the business or profession are allowed as a deduction in computing the amount with reference to which such tax is charged. The term "wealth-tax" does not, however, include any tax chargeable with reference to the value of any particular asset of the business or profession. The Ordinance specifically provided that the above provisions will not apply to the assessment of an assessee for a particular assessment year, where, before the commencement of the Ordinance, the Supreme Court has, on an appeal in respect of the assessment of that assessee for that year, held that wealth-tax paid by him is deductible in computing his total income.

3. The Bill seeks to replace the said Ordinance.

NEW DELHI;

Y. B. CHAVAN.

The 25th July, 1972.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND
274 OF THE CONSTITUTION

[Copy of letter No. 133/65/72-TPL, dated the 28th July, 1972 from Shri Y. B. Chavan, Minister of Finance to the Secretary, Lok Sabha.].

The President having been informed of the subject matter of the proposed Bill, has recommended under clause (1) of article 117 and clause (1) of article 274 of the Constitution, the introduction of the Bill in the Lok Sabha.

BILL No. 71 OF 1972*A Bill further to amend the Public Debt Act, 1944.*

WHEREAS in pursuance of clause (1) of article 252 of the Constitution, each of the Houses of the Legislature of the State of Jammu and Kashmir has passed a resolution to the effect that certain matters relating to the public debt of that State, that is to say, matters for which provision is made in the Public Debt Act, 1944, should be regulated in that State by Parliament by law; 18 of 1944.

AND WHEREAS in consequence thereof it is necessary further to amend the Public Debt Act, 1944;

18 of 1944.

Be it enacted by Parliament in the Twenty-third Year of the Republic of India as follows:—

Short
title and
com-
mence-
ment.

1. (1) This Act may be called the Public Debt (Amendment) Act, 1972.

(2) It shall come into force on the 1st day of September, 1972.

18 of 1944.

2. In section 1A of the Public Debt Act, 1944 (hereinafter referred to as the principal Act), the words "other than the Government of Jammu and Kashmir" shall be omitted.

Amendment of section 1A.

3. In sub-section (1) of section 3 of the principal Act,—

Amendment of section 3.

(a) in clause (iii), the word "and", occurring at the end shall be omitted;

(b) in clause (iv), the word "and" shall be added at the end;

(c) after clause (iv), the following clause shall be inserted, namely:—

"(v) is made on or after the 1st day of September, 1972, in the case of a security issued on or after that day by the Government of the State of Jammu and Kashmir,".

4. In section 28 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

Amendment of section 28.

"(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule."

5. After section 30 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 31.

"31. Any reference in this Act to a law which is not in force in the State of Jammu and Kashmir shall, wherever necessary, be construed as including a reference to the corresponding law, if any, in force in that State."

Construction of references to laws not in force in Jammu and Kashmir.

STATEMENT OF OBJECTS AND REASONS

The public debt and the securities of the Central and State Governments, other than the Government of the State of Jammu and Kashmir, are at present administered by the Reserve Bank of India in accordance with the provisions of the Public Debt Act, 1944, and the rules made thereunder. In 1956, the Legislatures of the erstwhile Part B States, other than that of the State of Jammu and Kashmir, passed resolutions in pursuance of article 252(1) of the Constitution empowering Parliament to amend the Public Debt Act, 1944, so as to make it applicable to securities issued by the Governments of those States and to their public debt. The Government of Jammu and Kashmir proposes to raise public loans from this year for augmenting resources for financing its developmental outlays and has requested that the Public Debt Act, 1944 may be made applicable to securities to be issued by it and to its public debt. The Legislative Assembly and the Legislative Council of the State of Jammu and Kashmir have passed resolutions in pursuance of article 252(1) of the Constitution empowering Parliament to amend the Public Debt Act, 1944, with a view to make the provisions thereof applicable to securities issued by the Government of the State of Jammu and Kashmir and to its public debt. The Bill seeks to amend the Public Debt Act, 1944 for the aforesaid purpose.

NEW DELHI;

Y. B. CHAVAN.

The 25th July, 1972.

S. L. SHAKDHER,
Secretary.