

ACT NO. V OF 1916.

PASSED BY THE INDIAN LEGISLATIVE COUNCIL.

(Received the assent of the Governor General on the 8th March, 1916.)

An Act further to amend the Indian Income-tax Act, 1886.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886; It is hereby II of 1886. enacted as follows :—

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1916.

(2) It shall come into force on the first day of April, 1916.

Amendment of section 4, Act II of 1886.

2. In section 4 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), for the figures II of 1886. "1886", the figures "1916" shall be substituted.

Amendment of section 5, Act II of 1886.

3. In section 5, clause (j) of the said Act, after the word "any", the words "company or" shall be inserted.

Amendment of section 31, Act II of 1886.

4. To section 31 of the said Act, the following sub-section shall be added, namely :—

"(3) Any agreement made in accordance with the provisions of this section shall be determined, as regards any tax not already due thereunder, by any change, subsequent to the making of such agreement, in the rates at which the tax is assessable under Part II or Part IV, as the case may be, with effect from the date on which such change comes into force."

Amendment of section 33, Act II of 1886.

5. In section 33 of the said Act, the words "during or within three months after the end of the year" are hereby repealed.

Amendment of section 38, Act II of 1886.

6. In sub-section (1) of section 38 of the said Act, after the word and numeral "Part IV", the following

following shall be inserted, namely, "for prescribing the procedure to be followed on applications for refund of the tax chargeable under this Act."

7. After section 39 of the said Act, the following section shall be inserted, namely :—

Insertion of new section 39A in Act II of 1886.

"39A. No claim for refund of tax under this Act shall be allowed, unless it is made within one year from the end of the year to which the claim relates."

Limitation of claims for refund.

8. For the Second Schedule to the said Act, the following Schedule shall be substituted, namely :—

Substitution of new Second Schedule to Act II of 1886.

"THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to, or on behalf of, any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.

(a) If the income amounts to ₹1,000 per annum or ₹83-5-4 per mensem, but is less than ₹2,000 per annum or ₹166-10-8 per mensem—four pies in the rupee.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with His Majesty.

(b) If the income amounts to ₹2,000 per annum or ₹166-10-8 per mensem, but is less than ₹5,000 per annum or ₹416-10-8 per mensem—five pies in the rupee.

(c) If the income amounts to ₹5,000 per annum or ₹416-10-8 per mensem, but is less than ₹10,000 per annum or ₹833-5-4 per mensem—six pies in the rupee.

(d) If the income amounts to ₹10,000 per annum or ₹833-5-4 per mensem, but is less than ₹25,000 per annum or ₹2,083-5-4 per mensem—nine pies in the rupee.

(e) If the income amounts to ₹25,000 per annum or ₹2,083-5-4 per mensem or upwards—one anna in the rupee.

PART II.

THE SECOND SCHEDULE—*contd.*SOURCES OF INCOME AND RATES OF TAX—*contd.*(See section 4)—*contd.*

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART II.

PROFITS OF COMPANIES.

One anna in the rupee on the whole of the net profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the net profits so made during the year ending on the said thirty-first day of March:

Provided that a shareholder in the company who satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which his share of such profits was received, was less than any one, as the case may be, of the amounts tabulated below, shall be entitled to a refund, calculated on any dividend paid him by the company in regard to the profits made during the period mentioned in the first clause at the rates specified against each such amount, namely:—

Profits of a company.

Amount.	Refund.
1. Less than R1,000.	One anna in the rupee.
2. R1,000 or upwards, but less than R2,000.	Eight pies in the rupee.
3. R2,000 or upwards, but less than R5,000.	Seven pies in the rupee.
4. R5,000 or upwards, but less than R10,000.	Six pies in the rupee.
5. R10,000 or upwards, but less than R25,000.	Three pies in the rupee.

PART III.

THE SECOND SCHEDULE—*contd.*

SOURCES OF INCOME AND RATES OF TAX—*contd.*

(See section 4)—*contd.*

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1916, and payable in British India, on—

- (a) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or
- (b) debentures or other securities for money issued by, or on behalf of, a local authority or company.

One anna in the rupee on such interest:

Provided that, if the owner of the security satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which the interest is paid was less than any one, as the case may be, of the amounts tabulated below, he shall be entitled to a refund, calculated on any such interest, at the rates specified against each such amount, namely:—

Amount.	Refund.
1. Less than ₹1,000.	One anna in the rupee.
2. ₹1,000 or upwards, but less than ₹2,000.	Eight pies in the rupee.
3. ₹2,000 or upwards, but less than ₹5,000.	Seven pies in the rupee.
4. ₹5,000 or upwards, but less than ₹10,000.	Six pies in the rupee.
5. ₹10,000 or upwards, but less than ₹25,000.	Three pies in the rupee.

PART IV.

THE SECOND SCHEDULE—concl'd.

SOURCES OF INCOME AND RATES OF TAX—concl'd.

(See section 4)—concl'd.

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this Schedule.

- (a) If the annual income is assessed at—
- not less than R1,000, but less than R1,250, the tax shall be R20;
 - not less than R1,250, but less than R1,500, the tax shall be R23;
 - not less than R1,500, but less than R1,750, the tax shall be R35;
 - not less than R1,750, but less than R2,000, the tax shall be R42.
- (b) If the annual income is assessed at R2,000 or upwards, but is less than R5,000—five pies in the rupee.
- (c) If the annual income is assessed at R5,000 or upwards, but is less than R10,000—six pies in the rupee.
- (d) If the annual income is assessed at R10,000 or upwards, but is less than R25,000—nine pies in the rupee.
- (e) If the annual income is assessed at R25,000 or upwards—one anna in the rupee."

Repeal of sub-sections (3) and (4) of section 2 of Act XI of 1903.

9. Sub-sections (3) and (4) of section 2 of the Indian Income-tax (Amendment) Act, 1903, are hereby repealed.