

THE TAXATION LAWS (EXTENSION TO JAMMU AND  
KASHMIR) ACT, 1954

NO. 41 OF 1954

[8th October, 1954]

An Act to provide for the extension of certain taxation laws to the State of Jammu and Kashmir and for matters connected therewith.

See *India Codes*  
*Vol. VII B.*

**BE** it enacted by Parliament in the Fifth Year of the Republic of India as follows:—

**1. Short title.**—This Act may be called the Taxation Laws (Extension to Jammu and Kashmir) Act, 1954.

**2. Extension of certain taxation laws to Jammu and Kashmir.**—

(1) The following Acts, namely:—

- (a) the Sea Customs Act, 1878 (VIII of 1878),
- (b) the Indian Income-tax Act, 1922 (XI of 1922),
- (c) the Land Customs Act, 1924 (XIX of 1924),
- (d) the Government Trading Taxation Act, 1926 (III of 1926),
- (e) the Indian Tariff Act, 1934 (XXXII of 1934),
- (f) the Central Excises and Salt Act, 1944 (I of 1944),
- (g) the Payment of Taxes (Transfer of Property) Act, 1949 (XXII of 1949), and
- (h) the Estate Duty Act, 1953 (34 of 1953),

and all rules and orders made thereunder which are in force immediately before the commencement of this Act are hereby extended to, and shall be in force in, the State of Jammu and Kashmir.

(2) With effect from the commencement of this Act, the Acts mentioned in the Schedule shall be amended as specified in column 4 thereof.

(3) The Finance Act, 1951 (XXIII of 1951) and the First Schedule thereto, in so far as they have been made applicable in relation to income-tax and super-tax for the financial year 1954-55 by the Finance Act, 1954 (17 of 1954), shall have effect as if the words "excluding the State of Jammu and Kashmir" and the word, brackets, figure and letter "or (3E)" had been omitted from Parts I and II of the First Schedule to the Finance Act, 1951.

(4) Sections 6 and 10 of the Finance Act, 1954 (17 of 1954), which impose certain additional duties of customs and excise respectively shall apply to, and have effect in, the State of Jammu and Kashmir as they apply to, and have effect in, the rest of India.

**3. Continuance of existing duty on motor spirit for a certain period.**—The Government of the State of Jammu and Kashmir may continue to levy and collect for a period of ten years from the 14th day of May, 1954, a duty at the rate of four annas per imperial gallon, or at such other lower rate per imperial gallon as the State Government may, by notification in the Official Gazette, specify in this behalf, on all motor spirit imported into the State otherwise than in petrol tanks by a supplier in the State or by an authorised agent on his behalf.

**4. Construction of references to laws not in force in Jammu and Kashmir.**—Any reference in any Act mentioned in section 2 to a law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the corresponding law, if any, in force in that State.

**5. Repeals.**—Save as otherwise provided in section 6, the following laws are hereby repealed, namely:—

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- (a) the Matches (Excise Duty) Act, Svt. 1992 (IV of Svt. 1992),
- (b) the Mechanical Lighters (Excise Duty) Act, Svt. 1992 (V of Svt. 1992),
- (c) the Sugar (Excise Duty) Act, Svt. 2000 (VI of Svt. 2000),
- (d) the Tobacco (Excise Duty) Ordinance, Svt. 2001 (V of Svt. 2001),
- (e) the Income-tax Act, Svt. 2007 (X of Svt. 2007), and
- (f) the Jammu and Kashmir Customs Act, Svt. 1958, with the exception of the following provisions, namely:—

(i) section 25 in so far as it authorises the State Government to prohibit the importation or exportation of newspapers or books as defined in the Jammu and Kashmir State Press and Publications Act of Svt. 1989,

(ii) sections 25A, 25B and 25C, and

(iii) any other provision contained in the said Act which may be necessary or relevant for the purpose of carrying into effect the provisions contained in the sections referred to in sub-clauses (i) and (ii).

**6. Savings.**—(1) Notwithstanding the repeal by section 5 of any of the laws referred to therein—

(a) the Jammu and Kashmir Customs Act, Svt. 1958, shall continue to have effect for the purposes of the levy, assessment, collection or refund of the duty on motor spirit referred to in section 3, or the levy, assessment and collection of any duty due in respect of the import or export before the 14th day of May, 1954, of any article into or from the State of Jammu and Kashmir, or for the purpose of imposing any penalty or for any other purpose whatsoever connected with or incidental to any of the purposes aforesaid;

(b) the Income-tax Act, Svt. 2007 (X of Svt. 2007), shall continue to have effect for the purposes of the levy, assessment and collection of income-tax and super-tax or for the purposes of any penalty, interest, composition-fee or any other demand under that Act in respect of any period prior to the previous year for the purposes of assessment under the Indian Income-tax Act, 1922 (XI of 1922), for the year ending on the 31st day of March, 1955.

(2) Without prejudice to the provisions contained in sub-section (1) and subject thereto, section 6 of the General Clauses Act, 1897 (X of 1897), shall apply in relation to the repeal of any of the laws referred to in section 5 as if the law so repealed had been an enactment within the meaning of section 6 of that Act.

**7. Construction of references in any repealed law to officers, authorities, etc.**—Any reference in any law of the State of Jammu and Kashmir now repealed by this Act to an officer, authority, tribunal or court shall, for the purpose of carrying into effect the provisions contained in clause (b) of sub-section (1) and sub-section (2) of section 6, be construed as a reference to the corresponding officer, authority, tribunal or court appointed or constituted by or under the

Corresponding Act, rule or order now extended to the State, and if any question arises as to who such corresponding officer, authority, tribunal or court is, the decision of the Central Government thereon shall be final.

**8. Removal of difficulties.**—If any difficulty arises in giving effect to any of the provisions of any of the Acts, rules or orders now extended to the State of Jammu and Kashmir, the Central Government may, by order published in the Official Gazette, make such provision or give such direction as appears to it to be necessary for removing the difficulty.

THE SCHEDULE

[See section 2(2)]

Year 1	No. 2	Short title 3	Amendments 4
1878	VIII	The Sea Customs Act, 1878.	In section 1, omit "except the State of Jammu and Kashmir". In section 3, omit clause (ee).
1922	XI	The Indian Income-tax Act, 1922.	<p>In section 1, for sub-section (2), substitute— “(2) It extends to the whole of India.”</p> <p>In section 2, for clause (7A), substitute— “(7A) ‘Indian company’ means a company as defined in the Indian Companies Act, 1913 (VII of 1913), and includes a company formed and registered under any law in force in the merged territories or in any Part B State other than the State of Jammu and Kashmir before the extension thereto of the Indian Companies Act, 1913, and in the case of the State of Jammu and Kashmir, any company formed and registered under any law in force in that State; provided that the registered office of the company in all cases is in the taxable territories”.</p> <p>In clause (8), after the words “Central Government”, insert “or in the State of Jammu and Kashmir, the State Government”.</p> <p>In clause (14A),—</p> <p>(a) in sub-clause (d), omit the word “and” at the end;</p> <p>(b) after sub-clause (e), insert—</p> <p>“(f) as respects any period after the 12th day of April, 1954, the whole of the territory of India”;</p> <p>(c) after clause (b) of the proviso, insert— “(c) the whole of the territory of India—</p> <p>(i) as respects any period, for the purposes of sections 4A and 4B;</p> <p>(ii) as respects any period after the 31st day of March 1954, for any of the purposes of this Act; and</p> <p>(iii) as respects any period included in the previous year, for the purpose of making any assessment for the year ending on the 31st day of March, 1955, or for any subsequent year.”</p>

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Year 1	No. 2	Short title 3	Amendments 4
			<p>In section 4, in <i>Explanation</i> 4 to sub-section (1), omit "other than the State of Jammu and Kashmir".</p> <p>In section 7, omit sub-section (2).</p> <p>In section 14, in sub-section (2),—</p> <p>(i) omit the word "or" at the end of clause (b); and</p> <p>(ii) omit clause (c).</p> <p>In section 24, in sub-section (1),—</p> <p>(i) omit the first proviso; and</p> <p>(ii) in the second proviso, omit the word "further";</p> <p>In sub-section (2), omit clause (a) of the proviso.</p> <p>In section 49A, in clause (a), omit the words "with the Government of the State of Jammu and Kashmir or" and for the words "in that State or in that country, as the case may be" substitute "in that country".</p> <p>In section 49B, in sub-section (2), omit "other than the Government of Jammu and Kashmir".</p> <p>In the proviso to section 60A, for the words and figures "after the 31st day of March, 1955", substitute "in the case of merged territories and Part B States other than the State of Jammu and Kashmir, after the 31st day of March, 1955, and, in the case of the State of Jammu and Kashmir, after the 31st day of March, 1959".</p> <p>In section 61, in sub-section (2), in clause (iv) (a), after the words "Jammu and Kashmir", insert "or before the 14th day of May, 1954, in the State of Jammu and Kashmir".</p>
1924	XXIX	The Land Customs Act, 1924.	In section 1, omit "except the State of Jammu and Kashmir".
1926	III	The Government Trading Taxation Act, 1926.	In section 2, in sub-section (3), omit "and 'India' means the territory of India excluding the State of Jammu and Kashmir".
1934	XXXI	The Indian Tariff Act, 1934.	In section 1, in sub-section (2), omit "except the State of Jammu and Kashmir".
1944	I	The Central Excises and Salt Act, 1944.	<p>In section 1, in sub-section (2), omit "except the State of Jammu and Kashmir".</p> <p>In section 2, omit clause (ee)</p> <p>Omit section 5</p> <p>In section 37, in clause (iii) of sub-section (2), omit "the bringing of excisable goods into India from the State of Jammu and Kashmir, or"</p>
1949	XXII	The payment of Taxes (Transfer of Property) Act, 1949	<p>In section 1, in sub-section (2), omit "except the State of Jammu and Kashmir"</p> <p>In section 2, for words "the States", substitute "India", and omit the Explanation</p>
1953	34	The Estate Duty Act, 1953	<p>In section 1, in sub-section (2), omit "except the State of Jammu and Kashmir"</p> <p>In section 50, omit "other than the State of Jammu and Kashmir"</p>