

THE BURMA INCOME-TAX (SECOND AMENDMENT)  
ACT, 1954.

[ Act, No. L OF 1954. ]

It is hereby enacted as follows :—

1. (1) This Act may be called the Burma Income-tax (Second Amendment) Act, 1954.

(2) It shall come into force on the 1st day of October 1954 ; provided that section 2, clause (b) and section 11 shall be deemed to have come into force on the 1st day of October 1953.

2. In section 2 of the Burma Income-tax Act (hereinafter referred to as "the Act"),—

(a) for clause (2) the following shall be substituted, namely :—

"(2) ' assessee ' means a person by whom income-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of his income or of the loss sustained by him or of the amount of refund due to him ; "

(b) for the semi-colon ( ; ) at the end of clause (5) a comma ( , ) shall be substituted and thereafter the following shall be inserted, namely :—

" and includes a person appointed to be an Additional Commissioner of Income-tax ; "

(c) in sub-clause (d) of clause (6A) the expression " [other than a share of the profits of a registered firm for the purpose of a refund under sub-section (2) of section 48] " shall be deleted ;

(d) for clause (6C) the following shall be substituted, namely :—

"(6C) ' Inspector of Income-tax ' means a person appointed to be an Inspector of Income-tax under section 5 ; "

and

(e) after the word "and" at the end of clause (15) the following shall be inserted, namely :—

" " total world income ' includes all income, profits and gains wherever accruing or arising except income to which, under the provisions of sub-section (3) of section 4, this Act does not apply ; and "

3. In section 3 of the Act,—

(a) the words " applicable to the total income of an assessee " shall be deleted ; and

(b) for the words " all income, profits and gains " the words " the total income " shall be substituted.

4. In section 5 of the Act,—

(a) in sub-section (1),—

(i) the word " and " at the end of clause (d) shall be deleted ;

(ii) for the period ( . ) at the end of clause (e), a comma ( , ) shall be substituted ; and

(iii) after clause (e) the following shall be inserted as clause (f), namely :—

" (f) Inspectors of Income-tax." ; and

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(b) after sub-section (5) the following shall be inserted as sub-sections (5A), (5B) and (5C), namely :—

“(5A) The Commissioner may, subject to the rules and orders of the President of the Union regulating the conditions of service of persons in public services and posts, appoint as many Inspectors of Income-tax as may, from time to time, be sanctioned by the President of the Union.

(5B) Inspectors of Income-tax shall perform such functions in the execution of this Act as are assigned to them by the Income-tax Officer or other income-tax authority under whom they are appointed to work, and shall be subordinate to such officer or authority.

(5C) Subject to the rules and orders of the President of the Union regulating the conditions of service of persons in public services and posts, an income-tax authority may appoint such executive or ministerial staff as may be necessary to assist it in the execution of its functions.”

5. In section 8 of the Act,—

(a) in the first proviso thereto for the words “ or behalf of the assessee :” the following shall be substituted, namely :—

“ on behalf of the assessee or in respect of any interest payable on money borrowed for the purpose of investment in the securities by the assessee except interest chargeable under this Act which is payable without the Union of Burma, unless in respect of interest which is so chargeable, tax has been paid or deducted under section 18, or unless there is a person in the Union of Burma who may be appointed an agent under section 43 in respect of such interest.” and

(b) the second proviso thereto shall be deleted.

6. In clause (vii) of sub-section (2) of section 10 of the Act,—

(i) for the words “ for which the machinery or plant ” the words “ for which the building, machinery or plant ” shall be substituted ; and

(ii) for the second proviso to the said clause the following shall be substituted, namely :—

“ Provided further that where the amount for which any building, machinery or plant is sold whether during the continuance of the business or after the cessation thereof exceeds the original cost as reduced by the aggregate of the depreciation allowances already given, so much of the excess as does not exceed the aggregate of the depreciation allowances already given shall be deemed to be profits of the previous year in which the sale took place :”

7. For sub-section (1) of section 15 of the Act, the following shall be substituted, namely :—

“(1) The tax shall not be payable in respect of any sums paid by an assessee to effect an insurance on the life of the

assessee or on the life of a wife or husband of the assessee or in respect of a contract for a deferred annuity on the life of the assessee, or on the life of a wife or husband of the assessee, or as a contribution to any provident fund to which the Provident Funds Act applies."

8. *After section 15B of the Act, the following shall be inserted as section 15c, namely :—*

"15c. *Exemption from tax of newly established industrial undertakings.*—(1) Save as otherwise hereinafter provided, the tax shall not be payable by an assessee on so much of the profits or gains derived from any industrial undertaking to which this section applies as do not exceed six per cent per annum on the capital employed in the undertaking computed in accordance with such rules as may be made in this behalf by the Financial Commissioner.

(2) This section applies to any industrial undertaking which—

- (i) is not formed by the splitting up, or the reconstruction of, business already in existence or by the transfer to a new business of building, machinery or plant used in a business which was being carried on before the 1st day of October, 1953 ;
- (ii) has begun or begins to manufacture or produce articles in any part of the Union of Burma at any time within a period of six years from the 1st day of October, 1953, or such further period as the President of the Union may, by notification specify with reference to any particular industrial undertaking ;
- (iii) employs ten or more workers in a manufacturing process carried on with the aid of power, or employs twenty or more workers in a manufacturing process carried on without the aid of power :

Provided that the President of the Union may, by notification, direct that the exemption conferred by this section shall not apply to any particular industrial undertaking.

- (3) The profits or gains of an industrial undertaking to which this section applies shall be computed in accordance with the provisions of section 10.
- (4) The tax shall not be payable by a shareholder in respect of so much of any dividend paid or deemed to be paid to him by an industrial undertaking as is attributable to that part of the profits or gains on which the tax is not payable under this section.
- (5) Nothing in this section shall affect the application of section 23A in relation to the profits or gains of an industrial undertaking to which this section applies, and for the purposes of that section, the expression ' assessable income ' shall be deemed to include the profits or gains in respect of which the tax is not payable under this section.
- (6) The provisions of this section shall apply to the assessment for the financial year next following the previous year in which the assessee begins to manufacture or produce articles and for the four assessments immediately succeeding."

9. For sub-section (1) of section 16 of the Act, the following shall be substituted, namely:—

“(1) In computing the total income of an assessee—

(a) any sums exempted under the first proviso to sub-section (1) of section 7, sub-section (2) of section 14, section 15, section 15B and section 15C shall be included and any sum exempted under sub-sections (1) and (2) of section 15A shall also be included except for the purpose of determining the rates at which income-tax (but not super-tax) is payable by the assessee to whom the exemption is given;

(b) when the assessee is a partner of a firm, then, whether the firm has made a profit or a loss, his share (whether a net profit or a net loss) shall be taken to be any salary, interest, commission or other remuneration payable to him by the firm in respect of the previous year increased or decreased respectively by his share in the balance of the profit or loss of the firm after the deduction of any interest, salary, commission or other remuneration payable to any partner in respect of the previous year:

Provided that if his share so computed is a loss, such loss may be set off or carried forward and set off in accordance with the provisions of section 24.”

10. In sub-section (2) of section 17 of the Act, after the expression “section 15B” the expression “or under section 15C” shall be inserted.

11. In the first proviso to section 17A of the Act, for the words “May 1954” the words “December in that year, or where the first occasion on which he is so assessable falls during the year ending on the 30th day of September 1954, before the 31st day of August 1954,” shall be substituted.

12. In section 18 of the Act,—

(a) In the second proviso to sub-section (3B) for the words “under the proviso” the words “under the first proviso” shall be substituted.

(b) in sub-section (5),—

(i) after the words “shall be given to him therefor” the following shall be inserted, namely:—

“on the production of the certificate furnished under sub-section (9) of section 20, as the case may be”; and

(ii) for the period (.) at the end of the second proviso thereto a colon (:) shall be substituted and thereafter the following shall be inserted as the third proviso, namely:—

“Provided further that where any security or share in a company is owned jointly by two or more persons

not constituting a partnership, credit in respect of the tax deducted or in respect of any sum by which the dividend has been increased under sub-section (2) of section 16, may be given to each such person in the same proportion in which the interest on such security or dividend on such share has been included in his total income." ; and

(c) in sub-section (7) for the words " he may incur " the words " he or it may incur " shall be substituted.

13. In section 18A of the Act,—

(a) in sub-section (1) (a),—

(i) after the words " the amount of such inclusions bears to his total income " the following shall be inserted, namely :—

" or, in cases where under the provisions of section 17A both income-tax and super-tax are chargeable with reference to the total world income, shall bear to the total amount of income-tax and super-tax which would have been payable on his total world income of the said previous year had it been his total income the same proportion as the amount of such inclusions bears to his total world income : " ;

(ii) after the first proviso to sub-section (1) (a) the following shall be inserted as the second proviso, namely :—

" Provided further that, if the assessee is a partner of a registered firm and an assessment of the firm, has been completed for a previous year later than that for which the assessee's last assessment has been completed, his share in the profits of the firm, shall, for the purposes of this sub-section, be included in his total income on the basis of the latest assessment of the firm : " and

(iii) in the last proviso to sub-section (1) (a), after the words " an assessment of the assessee " the words " or of the registered firm of which he is a partner " shall be inserted ; and

(b) for the period ( . ) at the end of the proviso to sub-section (5) a colon ( : ) shall be substituted and thereafter the following shall be inserted as the second proviso, namely :—

" Provided further that for any period beginning with the 1st day of October, 1953, interest shall be payable only on the amount by which the aggregate sum of any instalments paid during any financial year in which they are payable under this section exceeds the amount of the tax determined on regular assessment calculated as hereunder :—

(i) in respect of such instalments paid in any financial year before the said date, from the said date to the date of the regular assessment ;

(ii) in respect of such instalments paid after the said date, from the beginning of the financial year next following to the date of the regular assessment."

14. For section 19 of the Act the following shall be substituted, namely:—

"19. *Payment in other cases.*—In the case of income in respect of which provision is not made under section 18 for deduction of income-tax at the time of payment, and in any case where income-tax has not been deducted in accordance with the provisions of section 18, income-tax shall be payable by the assessee direct."

15. In section 21 of the Act,—

- (a) after the words "in the prescribed form" the words "and verified in the prescribed manner" shall be inserted;
- (b) in clause (a), after the words "has received" the words "or to whom was due" shall be inserted; and
- (c) in clause (b), after the word "received" the words "or so due" shall be inserted and after the word "paid" the words "or due, as the case may be" shall be inserted.

16. In section 22 of the Act,—

- (a) in sub-section (1), after the words "his total income" the words "and total world income" shall be inserted;
- (b) in sub-section (2), after the words "his total income" the words "and total world income" shall be inserted; and
- (c) in sub-section (2A) for the words "the head 'Profits and gains of business, profession or vocation'" the words "the heads 'Business and Professional earnings'" shall be substituted.

17. In section 23 of the Act,—

- (a) in sub-section (1), after the word "satisfied" the words "without requiring the presence of the assessee or the production by him of any evidence" shall be inserted; and
- (b) in sub-section (2), for the expression "has reason to believe that a return made under section 22 is incorrect or incomplete, he shall serve on the person who made the return" the expression "is not satisfied without requiring the presence of the person who made the return or the production of evidence that a return made under section 22 is correct and complete, he shall serve on such person" shall be substituted.

18. After sub-section (5) of section 23A of the Act the following shall be inserted as sub-section (6), namely:—

"(6) When a company is a shareholder deemed under sub-section (2) to have received a dividend, the amount of the dividend thus deemed to have been paid to it shall be deemed to be part of its total income for the purpose also of the application of that sub-section to distributions of profits by that company."

19. In section 23B of the Act,—

(a) after sub-section (2) the following shall be inserted as sub-section (3), namely:—

"(j) A firm may be provisionally assessed under sub-section (1) as if it were an unregistered firm, unless the firm fulfils such conditions as the President of the Union may, by notification, specify in that behalf." ; and

(b) the existing sub-sections (3), (4), (5), (6) and (7) shall be renumbered as sub-sections (4), (5), (6), (7) and (8) respectively.

20. In section 24 of the Act,—

(a) in the first proviso to sub-section (1), for the words "the head 'Profits and gains of business, profession or vocation'" the words "the heads 'Business and Professional earnings'" shall be substituted ; and

(b) in sub-section (2),—

(i) for the expression "30th September 1953 under the heads 'Business', 'Profession' or 'Vocation'" the expression "30th September 1953, in any business, profession or vocation" shall be substituted ; and for the words "the portion not so set off" the words "so much of the loss as is not so set off or the whole loss where the assessee had no other head of income" shall be substituted ; and

(ii) in clause (c) of the proviso to sub-section (2) after the words "Provisions of" the expression "clause (b) of sub-section (1) of" shall be inserted and for the words "the said section" the expression "the said clause (b)" shall be substituted.

21. In section 24A of the Act,—

(a) for sub-section (1) and the proviso thereto the following shall be substituted, namely :—

"(1) When it appears to the Income-tax Officer that any person may leave the Union of Burma during the current financial year, or shortly after its expiry, and that he has no present intention of returning, the Income-tax Officer may proceed to assess him on his total income of the period from the expiry of the last previous year of which the income has been assessed in his hands to the probable date of his departure from the Union of Burma, or where he has not been previously assessed, on his total income of the period up to the probable date of his departure from the Union of Burma. The assessment shall be made on the total income of each completed previous year included in such period at the rate at which such income would have been charged had it been fully assessed, and as respects the period from the expiry of the last of such completed previous years to the probable date of departure the Income-tax Officer shall estimate the total income of such person during such period and

assess it at the rate in force for the financial year in which such assessment is made :

Provided that nothing herein contained shall authorize an Income-tax Officer to assess any income, profits or gains which have escaped assessment or have been under-assessed or have been assessed at too low a rate, or have been the subject of excessive relief under this Act but in respect of which he is debarred from issuing a notice under section 34." ; and

(b) in sub-section (2), for the words " period first referred to in " the words " relevant period " referred to in the first sentence of " shall be substituted.

22. In sub-section (2) of section 25A of the Act,—

(i) after the words " an order has been passed," the words " or where any person has succeeded to a business, profession or vocation formerly carried on by a Hindu undivided family whose joint family property has been partitioned on or after the last day on which it carried on such business, profession or vocation," shall be inserted ; and

(ii) in the proviso thereto, after the words " groups of members " the words " whose joint family property has been partitioned " shall be inserted.

23. For the period ( . ) at the end of proviso to sub-section (2) of section 26 of the Act, a comma ( , ) shall be substituted and thereafter the words " and such person shall be entitled to recover from the person succeeded the amount of any tax so paid." shall be inserted.

24. In section 27 of the Act, the words " or, in the case of a company the principal officer thereof," shall be deleted.

25. In section 28 of the Act,—

(a) in sub-section (1),—

(i) for the words " the Commissioner " the words " the Appellate Tribunal " shall be substituted ;

(ii) for the words " he may direct " the words " he or it may direct " shall be substituted ; and

(iii) for the period ( . ) at the end of clause (c) of the proviso, a semi-colon ( ; ) shall be substituted ; and thereafter the following shall be inserted as clause (d), namely :—

" (d) When the person liable to penalty is a registered firm so that the amount of the income-tax and super-tax payable by the firm itself has not been determined, that amount shall be taken to be an amount equal to the tax which would have been payable by an unregistered firm on an income equal to the firm's total income, and, in the cases referred to in clauses (b) and (c), the amount of the income-tax and super-tax which would have been avoided if the income as returned had been accepted as the correct income, shall be taken to be the difference between the amount of the tax which would have



been payable by an unregistered firm on an income equal to the firm's total income and the amount of the tax payable by an unregistered firm on an income equal to the income of the firm as actually returned by the firm." ;

(b) in sub-section (2),—

(i) for the words "the Commissioner" the words "the Appellate Tribunal" shall be substituted ; and

(ii) for the words "he may direct" the words "he or it may direct" shall be substituted ; and

(c) in sub-section (5), for the words "a Commissioner, who has made" the words "the Appellate Tribunal on making" shall be substituted.

26. For section 29 of the Act the following shall be substituted, namely :—

" 29. Notice of demand.—When any tax, penalty or interest is due in consequence of any order passed under or in pursuance of this Act, the Income-tax Officer shall serve upon the assessee or other person liable to pay such tax, penalty or interest a notice of demand in the prescribed form specifying the sum so payable."

27. In section 30 of the Act,—

(a) in sub-section (1),—

(i) after the expression "section 25A" the expression "or sub-section (2) of section 26" shall be inserted ;

(ii) after the expression "section 28 made by an Income-tax Officer" the expression "or objecting to any penalty imposed by an Income-tax Officer under sub-section (1) of section 46" shall be inserted ;

(iii) after the words "a claim to a refund" the expression "under section 48" shall be inserted ;

(iv) after the words "allowed by the Income-tax Officer" the words "under that section" shall be inserted ;

(v) the following shall be inserted as the first proviso to sub-section (1), namely :—

" Provided that no appeal shall lie against an order under sub-section (1) of section 46 unless the tax has been paid : " ;

(vi) in the existing first proviso to sub-section (1) after the word "Provided" the word "Further" shall be inserted ; and

(vii) in the second existing proviso to sub-section (1) after the word "that" the words "a member of a firm or other association of persons or" shall be inserted ;

(u) in sub-section (1A), for the expression "sub-section (3A), (3B) or (3C)" the expression "sub-section (3B)" shall be substituted ; and

c) in sub-section (2),—

(i) after the words "order in writing notifying the amount" the words "of total income on which the determination under sub-section (5) of section 23 was based and

- the apportionment thereof between the several partners or " *shall be inserted* ; and
- (ii) for the words " under sub-section (2) of section 23A " the words " under sub-section (1) or sub-section (2) of section 23A " *shall be substituted*.

28. In section 34 of the Act,—

- (i) after the words " has escaped assessment in any year," the words " or has been under-assessed " *shall be inserted* ;
- (ii) after the words " at too low a rate," the words " or has been made the subject of excessive relief under the Act, or excessive loss or depreciation allowance has been computed," *shall be inserted* ; and
- (iii) after the words " assess or re-assess such income, profits or gains, " the words " or recompute the loss or depreciation allowance ; " *shall be inserted*.

29. In section 35 of the Act,—

(a) in sub-section (1),—

- (i) for the words " the appeal, revision or assessment " the words " the appeal, revision, assessment or refund " *shall be substituted* ; and
- (ii) in the proviso to sub-section (1) after the words " enhancing an assessment " the words " or reducing a refund " *shall be inserted* ;

(b) in sub-section (3), after the words " enhancing the assessment " the words " or reducing a refund " *shall be inserted* ; and

(c) after sub-section (5) the following *shall be inserted* as sub-sections (6) and (7), namely :—

- " (6) Where the business profits tax payable by an assessee has been modified in appeal, revision or any other proceeding, or where any business profits tax has been assessed after the completion of the corresponding assessment for income-tax [whether before or after the commencement of the Burma Income-tax (Second Amendment) Act, 1954] and in consequence thereof it is necessary to re-compute the total income of the assessee chargeable to income-tax, such re-computation shall be deemed to be a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply accordingly, the period of four years referred to in that sub-section being computed from the date of the order making or modifying the assessment of such business profits tax.

*Explanation.*—For the purposes of sub-section (6), where the assessee is a firm, the provisions of sub-section (5) shall also apply as they apply to the rectification of the assessment of the partners of the firm.

- (7) Where the assessment of a company in whose case an order under section 23A has been made is modified in appeal, revision or any other proceeding or the order under section 23A is cancelled or varied, and in

consequence thereof it is necessary to re-compute the total income of the shareholders, such re-computation shall be deemed to be a rectification of a mistake apparent from the record within the meaning of this section, and the provisions of sub-section (1) shall apply thereto accordingly, the period of four years referred to in that sub-section being computed from the date of the final order passed in the case of a company."

30. (1) The existing section 37 of the Act shall be renumbered as sub-section (1) of section 37 and therein—

- (i) for the words "Assistant Commissioner and Commissioner" the words "Assistant Commissioner, Commissioner and Appellate Tribunal" shall be substituted; and
- (ii) for the words "Assistant Commissioner or Commissioner" the words "Assistant Commissioner or Commissioner or Appellate Tribunal" shall be substituted.

(2) After the said sub-section (1) as renumbered the following shall be inserted as sub-section (2) of section 37, namely:—

"(2) Subject to any rules made in this behalf, any authority referred to in sub-section (1) may impound and retain in its custody for such period as it thinks fit any books of account or other documents produced before it in any proceeding under this Act:

Provided that an Income-tax Officer shall not—

- (a) impound any books of account or other documents without recording his reasons for so doing; or
- (b) retain in his custody any such books or documents for a period exceeding fifteen days (exclusive of holidays) without obtaining the approval of the Commissioner therefor."

31. In sub-section (1) of section 42 of the Act,—

- (i) for the words "in the name of the agent of any such person, and" the words "either in his name or in the name of his agent, and in the latter case" shall be substituted; and
- (ii) in the proviso to sub-section (1), after the word "that" the words "the income-tax so chargeable may be recovered by deduction under any of the provisions of section 18 and that" shall be inserted.

32. The following shall be inserted as the first proviso to section 43, namely:—

"Provided that where transactions are carried on in the ordinary course of business through a broker in the Union of Burma in such circumstances that the broker does not in respect of such transactions deal directly with or on behalf of a non-resident principal but deals with or through a non-resident broker who is carrying on such transactions in the ordinary course of his business and not as a principal, such first mentioned broker shall not be deemed to be an agent under this section in respect of

such transactions : " and in the existing proviso *after* the word " Provided " the word " further " *shall be inserted*.

33. In section 46 of the Act,—

- (a) in the proviso to sub-section (2), the words " in respect of the attachment and sale of debts due to the assessee " and the words " in respect of the attachment and sale of debts due to a judgment debtor " *shall be deleted* ; and
- (b) *for* the proviso to sub-section (7), the following provisos and explanation *shall be substituted*, namely :—

" Provided that the period of one year herein referred to shall—

- (i) where an assessee has been treated as not being in default under section 45 as long as his appeal is undisposed of, be reckoned from the date on which the appeal is disposed of ;
- (ii) where recovery proceedings in any case have been stayed by any order of a court, be reckoned from the date from which the order is withdrawn ;
- (iii) where the date of payment of tax has been extended by an income-tax authority, be reckoned from the date up to which the time for payment had been extended ;
- (iv) where the sum payable is allowed to be paid by instalments, from the date on which the last of such instalments was due :

Provided further that nothing in the foregoing proviso shall have the effect of reducing the period within which proceedings for recovery can be commenced, namely, after the expiration of one year from the last day of the financial year in which the demand is made.

*Explanation*.—A proceeding for the recovery of any sum shall be deemed to have commenced within the meaning of this section, if some action is taken to recover the whole or any part of the sum within the period hereinbefore referred to, and for the removal of doubts it is hereby declared that the several modes of recovery specified in this section are neither mutually exclusive, nor affect in any way any other law for the time being in force relating to the recovery of debts due to Government, and it shall be lawful for the Income-tax Officer, if for any special reasons to be recorded he so thinks fit, to have recourse to any such mode of recovery notwithstanding that the tax due is being recovered from an assessee by any other mode."

34. In section 49A of the Act, *for* the words " against the tax " the words " against the tax, interest or penalty " *shall be substituted*.

35. *For* section 50 of the Act and the proviso thereto the following *shall be substituted*, namely :—

" 50. *Limitation of claims for refund*.—No claim to any refund of income-tax, or super-tax under this Chapter shall be

allowed, unless it is made within four years from the last day of the financial year commencing next after the expiry of the previous year in which the income arose, accrued or was received or was deemed to have arisen, accrued or been received or was brought into the Union of Burma."

36. In sub-section (1) of section 52 of the Act, after the expression "or section 20A" the expression "or section 21" shall be inserted.

37. In section 54 of the Act,—

- (i) in clause (b) of the first proviso to sub-section (2) after the word "necessary" the words "or desirable" shall be inserted;
- (ii) in clause (c) of the first proviso to sub-section (2) after the word "Government" the words "or any income-tax authority" shall be inserted and after the word "Act" the words "or under any other law for the time being in force authorizing any income-tax authority to exercise any powers thereunder" shall be inserted; and
- (iii) in the second proviso to sub-section (2) after the word "under" the words "section 25A or" shall be inserted.

38. In section 55 of the Act,—

- (i) after the words "not being a registered firm" the words "or the partners of the firm or members of the association individually" shall be inserted;
- (ii) in the first proviso thereto after the words "unregistered firm" the words "or other association of persons not being a company" shall be inserted and for the words "an individual having a share in the firm" the words "a partner of the firm or a member of the association, as the case may be," shall be substituted; and
- (iii) in the second proviso thereto after the words "unregistered firm" the words "or other association of persons not being a company" shall be inserted.

39. In section 58 of the Act,—

(a) in sub-section (1),—

- (i) for the words "the proviso" the words "the first proviso" shall be substituted;
- (ii) the words "the second proviso to section 8" shall be deleted;
- (iii) for the expression "15A, 20, 48," the expression "15A, 19, 20" shall be substituted; and
- (iv) for the expression "sub-section (2) and (3)" the expression "sub-section (2)" shall be substituted; and

(b) in sub-section (2), for the expression "sub-sections (2), (2A)" the expression "sub-sections (2), (2A), (2B)," shall be substituted.

40. In section 58A of the Act, in clause (b) (i) the words "individuals or" shall be deleted.

41. In sub-section (5) of section 58B of the Act, after the words "refusing to recognize" the words "or an order withdrawing recognition from" shall be inserted.

42. In sub-section (2) of section 58F of the Act, *after* the words "from payment of income-tax," the words "if and in so far as it does not exceed one-third of the salary of the employee for the year concerned and" *shall be inserted*.

43. For sub-section (3) of section 58G of the Act, the following *shall be substituted*, namely :—

"(3) Where exemption from payment of income-tax is not allowed under the provisions of sub-section (2), the Income-tax Officer shall calculate the total of the various sums of income-tax and super-tax which would have been payable by the employee in respect of his total income for each of the years concerned if the fund had not been a recognized provident fund, and the amount by which such total exceeds the total of all sums paid by or on behalf of such employee by way of tax for such years shall be payable by the employee in addition to any other income-tax and super-tax for which he may be liable for the year in which the accumulated balance due to him becomes payable."

44. In sub-section (2) of section 58K of the Act, *for* the words "shall be deemed" the words "shall, if the employer has made effective arrangements to secure that tax shall be deducted at source from the amount of such share when paid to the employee, be deemed" *shall be substituted*.

45. In sub-section (2) of section 59 of the Act,—

(i) *for* clause (c), the following *shall be substituted*, namely :—

"(c) prescribe the procedure for giving effect to the terms of any agreement for the avoidance of double taxation on income which may be entered into by the President of the Union under section 49;" ; and

(ii) clause (d) *shall be deleted*.

46. In sub-section (1) of section 61 of the Act, *for* the words "before any income-tax authority" the words "before the Appellate Tribunal or any income-tax authority" *shall be substituted*.

47. In section 64 of the Act, in sub-section (1) and the second proviso to sub-section (3) *for* the words "business or profession" wherever they occur the words "business, profession or vocation" *shall be substituted*.

48. In the proviso to sub-section (7) of section 66 of the Act, *after* the words "may allow" the following words *shall be added*, namely :—

"unless the High Court, on intimation given by the Commissioner within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court, makes an order authorizing the Commissioner to postpone payment of such refund until the disposal of the appeal to the Supreme Court."

49. In section 66A of the Act, for sub-section (1) the following shall be substituted, namely :—

“(1) When any case has been referred to the High Court under section 66, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority (if any) of such Judges :

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ, and the case shall then be heard upon that point only by one or more of the other Judges of the High Court, and such point shall be decided according to opinion of the majority of the Judges who have heard the case, including those who first heard it.”

50. After section 67A of the Act, the following shall be inserted as section 68, namely :—

“68. *Act to have effect pending legislative provision for charge of income-tax.*—If on the first day of October in any year provision has not yet been made by an Act of the Union Parliament for the charging of income-tax for that year this Act shall nevertheless have effect until such provision is so made as if the provision in force in the preceding year or the provision proposed in the Bill then before Parliament whichever is more favourable to the assessee, were actually in force.”