Finance Act 1974

Section 4 - Amendment of Section 16

In section 16 of the Income-tax Act, with effect from the 1st day of April, 1975, -

(a) for clause (i), the following clause shall be substituted, namely :-

"(i) in respect of expenditure incidental to the employment of the assessee, a sum calculated on the basis provided hereunder, namely :-

(a) where the salary derived from such employment does not exceed Rs. 10,000	20 per cent. of such salary;
(b) where the salary derived from such employment exceeds Rs. 10,000	Rs. 2,000 plus 10 per cent. of the amount by which such salary exceeds Rs. 10,000 or Rs. 3,500, whichever is less;

Provided that -

(i) where the assessee is in receipt of a conveyance allowance from his employer; or

(ii) where any motor car, motor cycle, scooter or other moped is provided to the assessee by his employer for use by the assessee, otherwise than wholly and exclusively in the performance of his duties; or

(iii) where one or more motor cars are owned or hired by the employer of the assessee and the assessee is allowed the use of such motor car or all or any of such motor cars, otherwise than wholly and exclusively in the performance of his duties,

the deduction under this clause shall not exceed one thousand rupees;";

(b) clauses (iii), (iv) and (v) shall be omitted.