Finance Act, 1981

Section 15 - Insertion of New Section 164a

After section 164 of the Income-tax Act, the following section shall be inserted, namely :-

> '164A. Charge of tax in case of oral trust. Where a trustee receives or is entitled to receive any income on behalf or for the benefit of any person under an oral trust, then, notwithstanding anything contained in any other provision of this Act, tax shall be charged on such income at the maximum marginal rate.

Explanation : For the purposes of this section, -

> (i) "maximum marginal rate" shall have the meaning assigned to it in Explanation 2 below sub-section (3) of section 164;
>
> (ii) "oral trust" shall have the meaning assigned to it in Explanation 2 below sub-section (1) of section 160.'.
