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Finance Act, 1981

Section 26 - Amendment of Section 21

In section 21 of the Wealth-tax Act, 1957 (27 of 1957) (hereinafter referred to as the Wealth-tax Act), -

(a) in sub-section (1), the following Explanation shall be inserted, namely :-

"Explanation : A trust which in not declared by a duly executed instrument in writing (including a valid deed of wakf) shall be deemed, for the purposes of this sub-section, to be a trust declared by a duly executed instrument in writing if a statement in writing, signed by the trustee or trustees, setting out the purpose or purposes of the trust, particulars as to the trustee or trustees, the beneficiary or beneficiaries and the trust property, is forwarded to the Wealth-tax Officer, -

(i) where the trust has been declared before the 1st day of June, 1981, within a period of three months from that day; and

(ii) in any other case, within three months from the date of declaration of the trust.";

(b) in sub-section (4), -

(i) for the words "Notwithstanding anything contained in this section", the words "Notwithstanding anything contained in the foregoing provisions of this section" shall be substituted;

(ii) in Explanation 2, for the words "for the purposes of this sub-section in any case, not being a case referred to in the proviso", the words, brackets, figure and letter "for the purposes of this sub-section (4A) in any case, not being a case referred to in the proviso to this sub-section" shall be substituted;

(c) after sub-section (4), the following sub-section shall be inserted, namely :-

'(4A) Notwithstanding anything contained in this section, where the assets chargeable to tax under this Act are held by a trustee under an oral trust, the wealth-tax shall be levied upon and recovered from such trustee in the like manner and to the same extent as it would be leviable upon and recoverable from an individual who is a citizen of India and resident in India for the purposes of this Act, and -

(a) at the rates specified in Part I of Schedule I or;

(b) at the rate of three per cent.,

whichever course would be more beneficial to the revenue.

Explanation : For the purposes of this sub-section, "oral trust" means a trust which is not declared by a duly executed instrument in writing (including a valid deed of wakf) and which is not deemed under the Explanation to sub-section (1) to be a trust declared by a duly executed instrument in writing.'.

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