

Finance Act, 1984

Section 20 - Amendment of Section 161

In section 161 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of April, 1985, namely :-

'(1A) Notwithstanding anything contained in sub-section (1), where any income in respect of which the person mentioned in clause (iv) of sub-section (1) of section 160 is liable as representative assessee consists of, or includes, profits and gains of business, tax shall be charged on the whole of the income in respect of which such person is so liable at the maximum marginal rate :

Provided that the provisions of this sub-section shall not apply where such profits and gains are receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him.

Explanation : For the purposes of this sub-section, "maximum marginal rate" shall have the meaning assigned to it in Explanation 2 below sub-section (3) of section 164.'.
