Finance Act, 2006

Section 10 - Amendment of Section 40

In section 40 of the Income-tax Act, in clause (a), after sub-clause (ii),--

(a) the following Explanation shall be inserted, namely:--

"Explanation 1.--For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, any sum paid on account of any rate or tax levied includes and shall be deemed always to have included any sum eligible for relief of tax under section 90 or, as the case may be, deduction from the Indian income-tax payable under section 91.";

(b) after Explanation 1 as so inserted, the following Explanation shall be inserted with effect from the 1st day of the June, 2006, namely:--

"Explanation 2.--For the removal of doubts, it is hereby declared that for the purposes of this sub-clause, any sum paid on account of any rate or tax levied includes any sum eligible for relief of tax under section 90A;".

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