

Finance Act 2008

Section 10 - Amendment of Section 40

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

(a) in sub-clause (ia), with effect from the 1st day of April, 2005,

(i) for the words, brackets and figures has not been paid during the previous year, or in the subsequent year before the expiry of the time prescribed under sub-section (1) of section 200, the following words, brackets and figures shall be substituted and shall be deemed to have been substituted, namely:-

has not been paid,

(A) in a case where the tax was deductible and was so deducted during the last month of the previous year, on or before the due date specified in sub-section (1) of section 139; or

(B) in any other case, on or before the last day of the previous year;

(ii) for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted, namely:-

Provided that where in respect of any such sum, tax has been deducted in any subsequent year, or has been deducted

(A) during the last month of the previous year but paid after the said due date; or

(B) during any other month of the previous year but paid after the end of the said previous year,

such sum shall be allowed as a deduction in computing the income of the previous year in which such tax has been paid.;

(b) sub-clause (ib) shall be omitted with effect from the 1st day of April, 2009.
