

Finance Act 1965

Section 68 - Voluntary Disclosure of Income

(1) Where any person makes a declaration in accordance with sub section (2) in respect of the amount representing income

(a) which he has failed to disclose in a return of income for any assessment year filed by him before the 1st day of March, 1965, under the Indian Income tax Act, 1922 (11 of 1922), or the Income tax Act, 1961 (43 of 1961), or

(b) which has escaped assessment for any assessment year for which an assessment has been made before the 1st day of March, 1965, under either of the said Acts, or

(c) for the assessment of which no proceeding under either of the said Acts has been taken before the 1st day of March, 1965,

he shall, notwithstanding anything contained in the said Acts, be charged income tax at the rate specified in sub section (3) in respect of the amount so declared if he,

(i) pays the amount of income tax as computed at the said rate, or

(ii) furnishes adequate security for the payment thereof in accordance with sub section (4) and undertakes to pay such income tax within a period, not exceeding six months, from the date of the declaration as may be specified by him therein, or

(iii) on or before the 31st day of May, 1965, pays such amount as is not less than one half of the amount of income tax as computed at the said rate or furnishes adequate security for the payment thereof in accordance with sub section (4), and in either case assigns any shares in, or debentures of, a joint stock company or mortgages any immovable property, in favour of the President of India by way of security for the payment of the balance, and undertakes to pay such balance within the period referred to in clause (ii).

(2) The declaration shall be made to the Commissioner, and shall specify the period required to be specified under clause (ii) of sub section (1), contain the name, address and signature of the person making the declaration and also full information in respect of the following matters, namely :

(a) Whether he was assessed to income tax or not and, if assessed, the name of the Income tax Circle in which he was assessed.

(b) The amount of income declared, giving where available, details of the financial year or years in which the income was earned and the amount pertaining to each such year.

(c) Whether the amount declared is represented by cash (including bank deposits), bullion, investments in shares, debts due from other persons, commodities, or any other assets, and the name in which it is held and location thereof :

Provided that the declaration shall be of no effect unless it is made after the 28th day of February, 1965, and before the 1st day of June, 1965.

(3) The rate of income tax chargeable in respect of the amount referred to in sub section (1) shall be sixty per cent. of such amount :

Provided that if before the 1st day of April, 1965, the tax on the amount declared is paid by the declarant at the rate of fifty seven per cent. of such amount, he shall not be liable to pay any further tax on such amount.

(4) A person shall not be considered to have furnished adequate security for the payment of the tax for the purposes of sub section (1) unless the payment is guaranteed by a scheduled bank or the person makes an assignment, in favour of the President of India, of any security of the Central or State Government.

Explanation : For the purposes of this sub section, where an assignment of Government securities is made in favour of the President, the amount covered by such assignment shall be the market value of the securities on the date of the assignment.

(5) Any amount of income tax paid pursuant of a declaration made under this section shall not be refundable in any circumstances, and no person who has made the declaration shall be entitled, in respect of any amount so declared or any amount of tax so paid, to reopen any assessment or reassessment made under the Indian Income tax Act, 1922 (11 of 1922), or the Income tax Act, 1961 (43 of 1961), or the Excess Profits Tax Act, 1940 (15 of 1940), or the Business Profits Tax Act, 1947 (21 of 1947), or the Super Profits Tax Act, 1963 (14 of 1963), or the Companies (Profits) Surtax Act, 1964 (7 of 1964), or claim any set off or relief in any appeal, reference, revision or other proceeding in relation to any such assessment or reassessment.

(6)(a) Any amount declared by any person under this section in respect of which the tax referred to in sub section (3) is paid shall not be included in his total income for any assessment under any of the Acts mentioned in sub section (5) if he credits in the books of account, if any, maintained by him for any source of income or in any other record, the amount declared as reduced by the tax paid thereon under this section.

(b) A credit made under clause (a) shall be intimated to the Income tax Officer.

(7)(a) The Commissioner shall grant a certificate to every person who has made a declaration under this section and paid the income tax under this section.

(b) The certificate shall set forth the particulars of the amount stated in the declaration, the amount of income tax paid in respect of the same and the date of payment.

(8)(a) All particulars contained in any declaration made under this section or record of any proceeding under this section shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to produce before it any such declaration or record or any part thereof or to give evidence before it in respect thereof.

(b) No public servant shall disclose any particulars contained in any such declaration or record except to any officer employed in the execution of any of the acts mentioned in sub section (5) or to any officer appointed by the Comptroller and Auditor General of India or the Board to audit income tax receipts or refunds.

(9) Any payment of income tax under this section shall be made by depositing the amount to the credit of the Central Government at a Government treasury or sub treasury, or at any branch of the Reserve Bank of India, or at any branch of the State Bank of India or at any of its agencies conducting Government treasury business.

(10) In this section, -

(i) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(ii) "Commissioner" means the Commissioner of Income-tax appointed under the Income-tax Act, 1961 (43 of 1961), having for the time being jurisdiction for the purposes of that Act over the person who makes a declaration under this section.