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Finance Act 1965

Section 70 - Amendment of Act 27 of 1957

In the Wealth-tax Act, 1957, -

(i) in sub-section (1) of section 5, after clause (xix), the following clause shall be inserted, namely :-

"(xx) the value of any equity shares held by the assessee in any company of the type referred to in clause (d) of section 45, where such shares form part of the initial issue of equity share capital made by the company after the 31st day of March, 1964, for a period of five successive assessment years commencing with the assessment year next following the date on which such company commences the operations for which it has been established;";

(ii) for Part I of the Schedule, the following Part shall be substituted, namely :-

Part I

Paragraph A

(a) In the case of every individual :-

Rates of Tax

(i) on the first rupees one lakh of net wealth ...	Nil
(ii) on the next rupees four lakhs of net wealth ...	0.5%
(iii) on the next rupees five lakhs of net wealth	1.0%
(iv) on the next rupees ten lakhs of net wealth	2.0%
(v) on the balance of net wealth	2.5%

(b) In the case of every Hindu undivided family :-

(i) on the first rupees two lakhs of net wealth ...	Nil
(ii) on the next rupees three lakhs of net wealth ...	0.5%
(iii) on the next rupees five lakhs of net wealth	1.0%
(iv) on the next rupees ten lakhs of net wealth	2.0%

(v) on the balance of net wealth	2.5%

(c) In addition, in the case of every individual and Hindu undivided family, where the net wealth of the individual or Hindu undivided family includes the value of any asset, building or land (other than business premises), or any right in such building or land, situated in any area falling in Category A or Category B or Category C or Category D specified in rule 2 of Paragraph B, tax at the following rate or rates computed with reference to the value of such assets determined in accordance with rule 1 of the said Paragraph B :-

(i) where the total value of such assets as determined under Paragraph B does not exceed rupees two lakhs	Nil
(ii) where the total value of such assets as determined under paragraph B exceeds rupees two lakhs but does not exceed rupes seven lakhs	1% of the amount by which the total value of such assets as so determined exceeds rupees two lakhs.
(iii) where the total value of such assets as determined under Paragraph B exceeds rupess two lakhs but does not exceed rupees twelve lakhs.	Rs. 5000 plus 2% of the amount by which the toal value of such assets as so determined exceeds rupees seven lakhs.
(iv) where the total value of such assets as determined under paragraph B excees rupees twelve lakhs but does not exceed rupees seventeen lakhs	Rs. 5,000 plus 2% of the amount by which the total value of such assets as so determined exceed rupees twelve lakhs.
(v) where the total value of such assets as determined under paragraph B excees rupees seventeen lakhs	Rs. 30,000 plus 4 % of the amount by which the total value of such assets as so determined exceeds rupees seventeen lakhs

Explanation : For the purposes of this Part "business premises" means any building or land or part of such building or land, or any right in building or land or part thereof, owned by the assessee and used throughout the previous year for the purposes of his business or profession, and includes any building used for the purpose of residence of persons employed in the business or any building used for the welfare of such persons as a hospital, creche, school, canteen, library, recreational centre, shelter, rest-room or lunch-room.

Paragraph B

Rule 1 - The total value of assets for the purposes of clause (c) of Paragraph A shall be determined as being the aggregate amount by which the value of such assets, included in the net wealth of the individual or Hindu undivided family, which are situated in any area falling in the category specified

in column 1 hereunder exceeds the amount specified there against in column 2 :-

Category of area (1)	Amount (2)
A	Rs. 5,00,000
B	The amount by which the value of such assets situated in any area falling in Category A falls short of Rs. 5,00,000, or an amount of Rs. 4,00,000, whichever is less.
C	The amount by which the aggregate of the value of such assets situated in any area falling in Category A or Category B falls short of Rs. 5,00,000, or in a case where there is no such asset situated in an area falling in Category A, the amount by which the value of such assets situated in any area falling in Category B falls short of Rs. 4,00,000, or, in either case, an amount of Rs. 3,00,000, whichever is less.
D	The amount by which the aggregate of the value of such assets situated in any area falling in category A or Category B or Category C falls short of Rs. 5,00,000, or, in a case where there is no such asset situated in an area falling in Category A, the amount by which the aggregate of the value of such assets situated in any area falling in Category B or Category C falls short of Rs. 4,00,000, or, in a case where there is no such asset situated in an area falling in Category A or Category B, the amount by which the value of such assets situated in any area falling in Category C falls short of Rs. 3,00,000, or, in each case, an amount of Rs. 2,00,000, whichever is less.

Rule 2 - For the purposes of this Part, all cities and towns in India, the population of which, including the population of the contiguous municipalities and cantonments according to the census held in the year 1961 -

(i) exceeds sixteen lakhs shall be treated as falling in Category A;

(ii) exceeds eight lakhs but does not exceed sixteen lakhs shall be treated as falling in Category B;

(iii) exceeds four lakhs but does not exceed eight lakhs shall be treated as falling in Category C; and

(iv) exceeds one lakh but does not exceed four lakhs shall be treated as falling in Category D..

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