Finance Act 1973

Section 8 - Amendment of Section 80c

In section 80C of the Income-tax Act, with effect from the 1st day of April, 1974, -

(a) for sub-section (1), the following sub-section shall be substituted, namely :-

"(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount calculated, with reference to the aggregate of the sums specified in sub-section (2), at the following rates, namely :-

(a) where such aggregate does not exceed Rs. 2,000	The whole of such aggregate;
(b) where such aggregate exceeds Rs. 2,000 but does not exceed Rs. 5,000	Rs. 2,000 plus 50 per cent. of the amount by which such aggregate exceeds Rs. 2,000;
(c) where such aggregate exceeds Rs. 5,000	Rs. 3,500 plus 40 per cent. of the amount by which such aggregate exceeds Rs. 5,000.";

(b) in sub-section (2), -

(i) for sub-clause (ii) of clause (a), the following sub-clause shall be substituted, namely :-

"(ii) to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the wife or husband or any child of the assessee :

Provided that such contract does not contain a provision for the exercise by the insured of an option to receive a cash payment in lieu of the payment of the annuity;;

(ii) in clause (g), for item (2) of sub-clause (i), the following item shall be substituted, namely :-

"(2) to effect or to keep in force a contract for a deferred annuity on the life of any member of such association or body or any child of any of the members of such association or body :

Provided that such contract does not contain a provision for the exercise by the insured of an option to receive a cash payment in lien of the payment of the annuity; or".