

**Finance Act 1999**

**Section 74 - Insertion of New Section 194I**

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After section 194K of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 1999, namely :-

"194L. Payment of compensation on acquisition of capital asset.

Any person responsible for paying to a resident any sum being in the nature of compensation or the enhanced compensation or the consideration or the enhanced consideration on account of compulsory acquisition, under any law for the time being in force, of any capital asset shall, at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to ten per cent. of such sum as income-tax on income comprised therein :

Provided that no deduction shall be made under this section where the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed one hundred thousand rupees. "

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