Finance Act, 1960

Section 2 - INCOME-TAX AND SUPER--TAX

1) Subject to the provisions of sub-sections (2), (3) and (4), for the year beginning on the 1st day of April, 1960,- (a) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein; and (b) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein. (2) In making any assessment for the year ending on the 31st day of March, 1961,- (a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", or any income chargeable under the head "Interest on Securities" or any income from dividends from which income-tax has been or might have been deducted under the provisions ofsection 18 of the Income-tax Act-or in respect of which by virtue ofsection 49 B of the Income-tax Act-, as continued in force by sub -section (4) ofsection 19 of the Finance Act, 1959, he is deemed himself to have paid the incometax imposed under the Income-tax Act, the Income-tax payable by the assessec on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation ofthe Finance Act, 1959 , on his total income the same proportion as the amount of such inclusions bears to his total income; (b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) ofsection 18 of the Income-tax Act-, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation ofthe Finance Act, 1959 , on his total income the same proportion as the amount of such inclusion bears to his total income. (3) In making any assessment for the year ending on the 31st day of March, 1959, or for the year ending on the 31st day of March, 1960, or for the year ending on the 31st day of March, 1961, where the total income of a company, other than the Life Insurance Corporation of India established underthe Life Insurance Corporation Act, 1956-, includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated - (i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with the Finance Act of the relevant year; and (ii) on the remaining part of its total income, at the rate applicable to the company on its total income. (4) In cases to whichsection 17-of the Income-tax applies, the tax chargeable shall be determined as provided in that section, and with reference to the rate imposed by sub- section (1). (5) In cases in which tax has to be deducted undersection 18-of the Income-tax Act at the prescribed rates, the deduction shall be made at the rates specified in Part III of the First Schedule. (6) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-lax or super-tax, as the case maybe, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) ofsection 2-of that Act.