Finance Act, 1960

Section 23 - DISCONTINUANCE OF SALT DUTY - For the year beginning on the 1st day of April, 1960, no duty underthe Central Excises

Seesection 2-) PART 1 Income-tax and Surcharges on Income-tax Paragraph A (i) In the case of every individual who is married and every Hindu Undivided Family whose total income does not exceed Rs. 20,000 in either case -Rates of Income-tax

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Where the individual has no child Where the individual has one child Where the individual has more than wholly or mainly dependent on him or wholly or mainly dependent on him one, child wholly or mainly depend- where the Hindu undivided family has or where the Hindu undivided family ent on him or where the Hindu un- no minor coparcener, has one minor coparcener, divided family has more than one minor coparcener.

Rs. Rs. Rs. (1) On the first 3,000 of total 3,300 of total 3,600 of total Nil income. income. income. (2) On the next 2,000 " 1,700 " 1,400 " 3% (3) On the next 2,500 " 2,500 " 2.500 " 6% (4) On the next 2,500 " 2,500 " 2,500 " 9% (5) On the next 2.500 " 2,500 " 2,500 " 11% (6) On the next 2,500 " 2,500 " 2,500 " 14% (7) On the next 5,000 " 5.000 " 5.000 " 18%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income ineither case exceeds Rs. 20,000 and in the case of every unregistered firmer other association of pefsons. nor being a case to which any other Paragragh of this applies:- Rs. 1) On the first ... ... 1.000 of total Nil income. 2) On the next ... ... 4,000 " " 3% 3) On the next ... ... 2,500 " " 6% 4) On the next ... ... 2,500 " " 9% 5) On the next ... ... 2,500 " " 11% 6) On the next ... ... 2,500 " - 14% 7) On the next ... ... 5,000 " " 18% 8) On the balance of total income ... ... " " 25%Provided that for the purposes of this Paragraph - (i) no income-tax shall be payable on a total income which does not exceed the limit specified below : (ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit; (iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of- (a) the income-tax which would have been payable if the total income had been Rs. 20,000. (b) half the amount by which the total income exceeds Rs. 20,000. The limit aforesaid shall be - (i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely :- (a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or (b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family; (ii) Rs. 3,000 in every other case. Surcharges on income-tax The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of surcharges calculated as under :- (a) A surcharge for purposes of the Union equal to the sum of - (i) five per cent. of the amount of income-tax; and (ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000; (b) A special surcharge of fifteen per cent of the difference between the amount of income-tax on the total income and the amount-of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income : Provided that - , .. (i) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below; (ii) no special surcharge shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if its total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less : Provided further that - (a) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case; (b) the surcharge for purposes of the Union and the special surcharge, both together, shall not exceed half the amount by which the total income exceeds the limit specified below; The limit aforesaid shall be - (i) Rs. 15,000 in the case of every Hindu undivided familly which satisfies as at the end of the previous year either ofthe following conditions, namely :- (a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or (b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family; . - (ii) Rs. 7,500 in every other case. Explanation.- For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the Mitakshara law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grandfather notwithstanding any custom to the contrary. Paragraph B In the case of every local authority,- Rate of income-tax Per cent. On the whole of the total income ... ... 30 Surcharge on Income-tax The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 5 per cent. of the amount of income-tax. Paragraph C In every case in which underthe provisions of the Income-tax Act-, income-tax is to be charged at the maximum rate,- Rate of income-tax Per cent. On the whole of the total income ... ... 25 Surcharges on Income-tax The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under :- (a) a surcharge for purposes of the Union of five per cent. of the amount of income-tax; and (b) a special surcharge of fifteen per cent. of the amount of income-tax. Paragraph D In the case of every company,- Rate of Income-tax Per cent. On the whole of the total income ... ... 20 Paragraph E In the case of every registered firm,- Rates of Income-tax Per cent. (1) On the first Rs. 40,000 of total income ... ... Nil (2) On the next Rs. 35,000 of total income ... ... 5 (3) On the next Rs. 75,000 of total income ... ... 6 (4) On the balance of total income .... 9 PART 2 Super-tax and surcharges on super-tax Paragraph A In the case of every individual, Hindu unindivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,-Rates of super-tax (1) On the first Rs. 20,000 of total income ... ... Per cent Nil (2) On the next Rs. 5,000 of total income ... ... 5 (3) On the next Rs. 5,000 of total income ... ... 15 (4) On the next Rs. 10,000 of total income ... ... 20 (5) On the next Rs. 10,000 of total income ... ... 30 (6) On the next Rs. 10,000 of total income ... ... 35 (7) On the next Rs. 10,000 of total income ... ... 40 (8) On the balance of total income ... ... 45Surcharges on super-tax The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under :- (a) A surcharge for purposes of the Union equal to the sum of - (i) five per cent. of the amount of super-tax; and (ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000; (b) A special surcharge at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income. Paragraph B In the case of every local authority,- Rate of super-tax Per cent. On the whole of the total income ... ... 16 Surcharge on super-tax The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12 1/2 per cent. of the amount of super-tax. Paragraph C In the case of every association of persons being aco-operative society as defined in clause (5B) ofsection 2 of the Income-tax Act-,- Rates of super-tax Per cent. (1) On the first Rs. 25,000 of total income ... ... Nil (2) On the balance of total income ... ... 16 Surcharge on super-tax The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12/2 per cent. of the amount of super-tax. . - Paragraph D In the case of every company, other than the Life Insurance Corporation of India established underthe Life Insurance Corporation Act, 1956-,- Rates of super-tax Per cent. On the whole of the total income ... ... 55 Provided that - (i) a rebate at the rate of 45 per cent on so much of the total income as consists of dividends from a subsidiary Indian company, at the rate of 40 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate Of 35 per cent. on the balance of the total income shall be allowed in the case of any company which,- (a) in respect of its profits liable to tax underthe Income-tax Act-for the year ending on the 31st day of March, 1961, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of sub-section (3D) ofsection 18-of that Act; and (b) is such a company as is referred to in sub-section (9) ofsection 23-A of the Income-tax Act with a total income not exceeding Rs. 25,000; (ii) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company, at the rate of 35 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause; (iii) a rebate at the rate of 45 per cent, on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 22 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 12 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses : Provided further that - (i) the amount of the rebate under clause (i) or clause (ii) of the preceding proviso shall be reduced by the sum, if any equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:- (a) on the aggregate of the sums computed in the manner provided in clause (i) of at the rate of 100% the second proviso to Paragraph D of Part II of the First Schedule tothe Finance Act, 1959, as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned in clause (i) of the said proviso to nil; and (b) on the amount representing the face value of any bonus shares or the amount of at the rate of 30% any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital : (ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a) and (b) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to nil shall be deemed to have been taken into account for the purpose: Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of - (a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand; and (b) half the amount by which its total income exceeds rupees twenty-five thousand. Explanation.- For the purposes of this Paragraph, where any portion of the profits and gains of a company is not included in its total income by reason of such portion being agricultural income, the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the average of the total income of the company in the five previous years in which the company has been in receipt of taxable income immediately preceding the relevant previous year bears to the average of its total profits and gains (excluding capital receipts) for the preceding five years aforesaid, reduced by such allowances as may be admissible underthe Income-tax Act-Which have not been taken into account by the company in its profit and loss accounts for the preceding five years aforesaid. Paragaph E In the case of the Life insurance Corporation of India established underthe Life Insurance Corporation Act-, 1956,- Rate of super-tax ' Per cent. On the whole of iti profits and gains from life insurance business ... ... 22.5 PART 3 Rates for deduction of tax under Section 9 of the Income-tax Act at the reserubed rates. In every case in which under the provisions ofsection 18 of the Income-tax Act-, tax is to be deducted at (he prescribed rates, deduction shall be made from the income, subject to deduction at the following rates :- Income-tax Super -tax Rates of Surcharges Rate of income-tax Surcharge for purposes of the Union Special surcharge Rates of surcharges Rules of surcharges In the case of a person other than a company -(a) in every case on the whole income [excluding interest payable on any security of the Central Government issued or declared to be income-tax free], and (b) in addition, where the person is one whom the person responsible for paying the income has no reason to believe to be resident in the taxable territories, on the whole income. 25% 1.25% 3.75% Super-tax and surcharges on super-lax in accordance with the provisions of cl.(b) of sub-sec. (1) ofsection 17 of the Income-tax Act-. Rate of Rate of Income-tax Super-tax 2. In the case of a company- (a) in every case - (i) on the whole income (excluding interest payable on any security of the 20% Central Government issued or declared to be income-tax free); and (ii) on the whole income excluding dividends payable by an Indian company 12% referred to insection 56A of the Income-tax Act-. and (b) in addition, where the company is neither, an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends withint India,- (i) on the income from dividends (excluding dividends payable by its subsidiary Indian company, if any, or by an Indian company referred to inSection 56A of the Income-tax Act-) - (a) on dividends payable by an Indian company formed and registered on or after the 25% 1st day of April. (b) on any other dividend ... ... 33% (ii) on any other income, not being income from dividends 33% SCHEDULE 02: THE SECOND SCHEDULE (See section 18-). [Note.- This Schedule contained amendments then made to theFirst Schedule of the Tariff Act.] Central Bare Acts