Finance Act, 1961

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, 1961,- (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 ofsection 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, 1962,- (a) where the total income of an assessee, not being a company, includes any income chargeable under .the head "Salaries", the income-tax payable by/the assessee on that part of his total income which consists of such inclusion,shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation ofthe Finance Act, 1960, on his total income the same proportion as the amount of such inclusion 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, 1960on 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, 1962, 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 Paragraph E of Part II of the First Schedule; 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 Act-applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates 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-tax or super-tax, as the case may be, 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.

43 of 1961).]