**Finance Act, 1997**

**Section 38 - INSERTION OF NEW SECTION 115JAA -AfterSection 115-JA of the Income Tax Act-, the following section shall be inserted,**

1) Where any amount of tax is paid under sub-section (1) ofSection 115-JAby an assessee being a company for any assessment year, then, credit in respect of tax so paid shall be allowed to him in accordance with the provisions of this section. (2) The tax credit to be allowed under sub-section (1) shall be the difference of the tax paid for any assessment year under sub-section (1) ofSection 115-JAand the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act : Provided that no interest shall be payable on the tax credit allowed under sub- section (1). (3) The amount of tax credit determined under sub-section (2) shall be carried forward and set-off in accordance with the provisions of sub-section (4) and sub-section (5) but such carry-forward shall not be allowed beyond the fifth assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1). (4) The tax credit shall be allowed set-off in a year when tax becomes payable on the total income computed in accordance with the provisions of this Act other thanSection 115-JA. (5) Set-off in respect of brought-forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax on his total income and the tax which would have been payable under the provisions of sub-section (1) of Section 115-JAfor that assessment year. (6) Where as a result of an order under sub-section (1) or sub-section (3) of Section 143,Section 144,Section 147,Section 154,Section 155, sub-section (4) ofSection 245-D,Section 250,Section 254,Section 260,Section 262,Section 263orSection 264, the amount of tax payable under this Act is reduced or increased, as the case may be, the amount of tax credit allowed under this section shall also be increased or reduced accordingly.".