

Finance Act, 2000

Section 35 - AMENDMENT OF SECTION 80-HHD In Section 80-HHD of the Income Tax Act, in sub-section

1), for the portion beginning with the words "in computing the total income of the assessee, a deduction of a sum equal to the aggregate of-" and ending with the words, brackets and figure "manner laid down in sub-section (4)", the following shall be substituted with effect from the 1st day of April, 2001, namely :- "in computing the total income of the assessee- (a) for an assessment year beginning on the 1st day of April, 2001, a deduction of a sum equal to the aggregate of- (i) forty per cent of the profits derived by him from services provided to foreign tourists; and (ii) so much of the amount not exceeding forty per cent of the profits referred to in sub-clause (i) as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account to be utilised for the purposes of the business of the assessee in the manner laid down in sub-section (4); (b) for an assessment year beginning on the 1st day of April, 2002, a deduction of a sum equal to the aggregate of- (i) thirty per cent of the profits derived by him from services provided to foreign tourists; and (ii) so much of the amount not exceeding thirty per cent of the profits referred to in sub-clause (i) as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account to be utilised for the purposes of the business of the assessee in the manner laid down in sub-section (4); (c) for an assessment year beginning on the 1st day of April, 2003, a deduction of a sum equal to the aggregate of- (i) twenty per cent of the profits derived by him from services provided to foreign tourists; and (ii) so much of the amount not exceeding twenty per cent of the profits referred to in sub-clause (i) as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account to be utilised for the purposes of the business of the assessee in the manner laid down in sub-section (4); (d) for an assessment year beginning on the 1st day of April, 2004, a deduction of a sum equal to the aggregate of- (i) ten per cent of the profits derived by him from services provided to foreign tourists; and (ii) so much of the amount not exceeding ten per cent of the profits referred to in sub-clause (i) as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account to be utilised for the purposes of the business of the assessee in the manner laid down in sub-section (4), and no deduction shall be allowed in respect of the assessment year beginning on the 1st day of April, 2005 and any subsequent assessment year".