Finance Act, 2007

Section 271 - In section 271 of the Income-tax Act, in sub-section

Section 76: Amendment of 1),-- (i) in Explanation 4, in clause (b), for the words "means the tax on the total income assessed;", the words and figures "means the tax on the total income assessed as reduced by the amount of advance tax, tax deducted at source, tax collected at source and self assessment tax paid before the issue of notice under section 148;" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2003; (ii) in Explanation 5, in the opening portion, for the words and figures "search under section 132", the words, figures and letters "search initiated under section 132 before the 1st day of June, 2007" shall be substituted with effect from the 1st day of June, 2007; (iii) after Explanation 5, the following Explanation shall be inserted with effect from the 1st day of June, 2007, namely- "Explanation 5A.--Where in the course of a search initiated under section 132 on or after the 1st day of June, 2007, the assessee is found to be the owner of- (i) any money, bullion, jewellery or other valuable article or thing (hereinafter in this Explanation referred to as assets) and the assessee claims that such assets have been acquired by him by utilizing (wholly or in part) his income for any previous year; or (ii) any income based on any entry in any books of account or other documents or transactions and he claims that such entry in the books of account or other documents or transactions represents his income (wholly or in part) for any previous year, which has ended before the date of the search and the due date for filing the return of income for such year has expired and the assessee has not filed the return, then, notwithstanding that such income is declared by him in any return of income furnished on or after the date of the search, he shall, for the purposes of imposition of a penalty under clause (c) of sub-section (1) of this section, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income.".

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