

Finance (No. 2) Act, 1996

Section 7 - Amendment of Section 16

In section 16 of the Income-tax Act, for clause (i), the following clauses shall be substituted with effect from the 1st day of April, 1997, namely :-

'(i) in the case of an assessee whose income from salary, before allowing a deduction under this clause, does not exceed sixty thousands rupees, a deduction of a sum equal to thirty-three and one-third per cent. of the salary of eighteen thousands rupees, whichever is less;

(ia) in any other case, a deduction of a sum equal to thirty-three and one-third per cent. of the salary or fifteen thousand rupees, whichever is less :

Provided that in the case of an assessee, being a woman, whose total income before making any deduction under this clause, does not exceed seventy-five thousand rupees, the provisions of this clause shall have effect as if for the words "fifteen thousand rupees", the words "eighteen thousand rupees" had been substituted.

Explanation : For the removal of doubts, it is hereby declared that where, in the case of an assessee, salary is due from, or paid or allowed by, more than one employer, the deduction under this clause shall be computed with reference to the aggregate salary due, paid or allowed to the assessee and shall in no case exceed the amount specified under clause (i) or clause (ia), as the case may be.'
