

Finance Act 1979

Section 9 - Amendment of Section 64

In section 64 of the Income-tax Act, with effect from the 1st day of April, 1980, -

(a) in sub-section (1), -

(i) in Explanation 1, for the words, brackets and figure "For the purposes of clause (i)", the words, brackets and figures "For the purposes of clause (i) and clause (ii)" shall be substituted;

(ii) after Explanation 1, the following Explanation shall be inserted, namely :-

"Explanation 1A : For the purposes of clause (i), where the spouse of an individual is a beneficiary under a trust, the income arising to the trustee from the membership of the trustee in a firm carrying on a business in which such individual is a partner shall, to the extent such income is for the immediate or deferred benefit of the spouse of such individual, be deemed to be income arising indirectly to the spouse of such individual from the membership of the spouse in a firm carrying on a business in which such individual is a partner.";

(iii) after Explanation 2, the following Explanation shall be inserted, namely :-

"Explanation 2A : For the purposes of clause (iii), where the minor child of an individual is a beneficiary under a trust, the income arising to the trustee from the membership of the trustee in a firm shall, to the extent such income is for the benefit of the minor child, be deemed to be income arising indirectly to the minor child from the admission of the minor to the benefits of partnership in a firm.";

(b) in sub-section (2) -

(i) for the words and brackets "into the common stock of the family (such property being hereinafter referred to as the converted property)", the words and brackets "into the common stock of the family or been transferred by the individual, directly or indirectly, to the family otherwise than for adequate consideration (the property so converted property)" shall be substituted;

(ii) the Explanation shall be numbered as Explanation 1 and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely :-

Explanation 2 : For the purposes of this section, "income" includes loss..
