

Finance Act, 1982**Section 13 - Amendment of Section 80c**

In section 80C of the Income-tax Act, with effect from the 1st day of April, 1983, -

(a) for sub-section (1), the following sub-section shall be substituted, namely :-

"(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount calculated, with reference to the aggregate of the sums specified in sub-section (2), at the following rates, namely :-

(a)	where such aggregate does not exceed Rs. 6,000	The whole of such aggregate;
(b)	where such aggregate exceeds Rs. 6,000 but does not exceed Rs. 12,000	Rs. 6,000 plus 50 per cent. of the amount by which such aggregate exceeds Rs. 6,000;
(c)	where such aggregate exceeds Rs. 12,000	Rs. 9,000 plus 40 per cent. of the amount by which such aggregate exceeds Rs. 12,000.";

(b) in sub-section (2), after clause (g), the following clause shall be inserted, namely :-

"(h) where the assessee is an individual or a Hindu undivided family or an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, any sums paid in the previous year by the assessee out of his or its income chargeable to tax, as subscription to any such security of the Central Government as that Government may, by notification in the Official Gazette, specify in this behalf.";

(c) in sub-section (4), in clause (ii), clause (iii) and clause (iv) for the words "thirty thousand rupees", the words "forty thousand rupees" shall be substituted;

(d) after sub-section (5) and the Explanation thereto, the following sub-section and Explanations shall be inserted, namely :-

"(6) If the assessee, being -

(a) an individual, has effected or kept in force an insurance on the life of the assessee or on the life of the wife or husband or any child of the assessee; or

(b) a Hindu undivided family, has effected or kept in force an insurance on the life of any member of the family; or

(c) an association of persons or a body of individuals referred to in clause (g) of sub-section (2), has effected or kept in force an insurance on the life of any member of such association or body, or on the life of any child of any of the members of such association or body,

terminates the contract of insurance (by notice to that effect or where the contract ceases to be in force by reason of failure to pay any premiums, by not reviving the contract of insurance) before premiums have been paid for two years, then -

(i) no deduction shall be allowed to the assessee under this section in respect of the premiums, if any, paid in the previous year in which the policy is so terminated; and

(ii) the deduction allowed in respect of the premiums paid in the previous year or years preceding the previous year referred to in clause (i) shall be deemed to be the income of the assessee of such previous year or years and shall be chargeable to tax accordingly.

Explanation 1 : For the purposes of this sub-section, the deduction allowed under this section in respect of the premiums paid in any previous year shall be the amount by which the deduction allowed under this section for that year exceeds the deduction which would have been allowed for that year if no such premiums had been paid during that year.

Explanation 2 : In a case where an assessee terminates his participation the Unit-linked Insurance Plan in any previous year and also terminates a contract of insurance in that year, the deduction allowed under this section in respect of the contribution or premiums paid in any previous year shall, for the purposes of the Explanation to sub-section (5) and Explanation 1, be the amount by which the deduction allowed under this section for that year exceeds the deduction which would have been allowed for that year if no such contribution or premiums had been paid during that year."