Finance Act, 1980

Part I - Income-tax and Surcharge on Income-tax

PART I

INCOME-TAX AND SURCHARGE ON INCOME-TAX

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies, -

RATES OF INCOME-TAX

(1)	where the total income does not	Nil;
	exceed Rs. 8,000	

Provided that for the purposes of this Sub-Paragraph, -

(i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;

(ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 12,000, the income-tax payable thereon shall not exceed thirty per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twenty per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1980 exceeds Rs. 10,000, -

RATES OF INCOME-TAX

(1)	where the total income does	Nil;
	not exceed Rs. 8,000	
(2)	where the total income exceeds	18 per cent. of the amount by
	Rs. 8,000 but does not exceed	which the total income
	Rs. 15,000	exceeds Rs. 8,000;

(3)	where the total income exceeds	Rs. 1,260 plus 25 per cent.
	Rs. 15,000 but does not exceed	of the amount by which the
	Rs. 20,000	total income exceeds Rs. 15,000;
(4)	where the total income exceeds	Rs. 2,510 plus 30 per cent.
	Rs. 20,000 but does not exceed	of the amount by which the
	Rs. 25,000	total income exceeds Rs. 20,000;
(5)	where the total income exceeds	Rs. 4,010 plus 40 per cent.
	Rs. 25,000 but does not exceed	of the amount by which the
	Rs. 30,000	total income exceeds Rs. 25,000;
(6)	where the total income exceeds	Rs. 6,010 plus 50 per cent.
	Rs. 30,000 but does not exceed	of the amount by which the
	Rs. 50,000	total income exceeds Rs. 30,000;
(7)	where the total income exceeds	Rs. 16,010 plus 55 per cent.
	Rs. 50,000 but does not exceed	of the amount by which the
	Rs. 70,000	total income exceeds Rs. 50,000;
(8)	where the total income exceeds	Rs. 27,010 plus 60 per cent.
	Rs. 70,000	of the amount by which the
		total income exceeds Rs. 70,000 :

Provided that for the purposes of this Sub-Paragraph, -

(i) no income-tax shall be payable on a total income not exceeding Rs. 10,000;

(ii) where the total income exceeds Rs. 10,000 but does not exceed Rs. 13,000, the income-tax payable thereon shall not exceed thirty per cent. of the amount by which the total income exceeds Rs. 10,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twenty per cent. of such income-tax.

Paragraph B

In the case of every co-operative society, -

RATES OF INCOME-TAX

(1)	where the total income does	15 per cent. of the total
	not exceed Rs. 10,000	income;
(2)	where the total income exceeds	Rs. 1,500 plus 25 per cent.
	Rs. 10,000 but does not exceed	of the amount by which the
	Rs. 20,000	total income exceeds Rs. 10,000;

(3)	where the total income exceeds	Rs. 4,000 plus 40 per cent.
	Rs. 20,000	of the amount by which the
		total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twenty per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies, -

RATES OF INCOME-TAX

(1)	where the total income does	Nil;
	not exceed Rs. 10,000	
(2)	where the total income exceeds	5 per cent. of the amount by
	Rs. 10,000 but does not exceed	which the total income
	Rs. 25,000	exceeds Rs. 10,000;
(3)	where the total income exceeds	Rs. 750 plus 7 per cent.
	Rs. 25,000 but does not exceed	of the amount by which the
	Rs. 50,000	total income exceeds Rs. 25,000;
(4)	where the total income exceeds	Rs. 2,500 plus 15 per cent.
	Rs. 50,000 but does not exceed	of the amount by which the
	Rs. 1,00,000	total income exceeds Rs. 50,000;
(5)	where the total income exceeds	Rs. 10,000 plus 24 per cent.
	Rs. 1,00,000	of the amount by which the
		total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twenty per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, -

RATES OF INCOME-TAX

(1)	where the total income does	Nil;

	not exceed Rs. 10,000	
(2)	where the total income exceeds	4 per cent. of the amount by
	Rs. 10,000 but does not exceed	which the total income
	Rs. 25,000	exceeds Rs. 10,000;
(3)	where the total income exceeds	Rs. 600 plus 7 per cent.
	Rs. 25,000 but does not exceed	of the amount by which the
	Rs. 50,000	total income exceeds Rs. 25,000;
(4)	where the total income exceeds	Rs. 2,350 plus 13 per cent.
	Rs. 50,000 but does not exceed	of the amount by which the
	Rs. 1,00,000	total income exceeds Rs. 50,000;
(5)	where the total income exceeds	Rs. 8,850 plus 22 per cent.
	Rs. 1,00,000	of the amount by which the
		total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twenty per cent. of such income-tax.

Explanation : For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority, -

RATE OF INCOME-TAX

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of the twenty per cent. of such income-tax.

Paragraph E

In the case of a company, -

RATES OF INCOME-TAX

I. In the case of a domestic company, -

(1) where the company is a company

in which the public are

substantially interested, -

(i) in a case where the total

45 per cent. of the total

income does not exceed

income;

Rs. 1,00,000

(ii) in a case where the total

55 per cent. of the total

income exceeds Rs. 1,00,000

income;

(2) where the company is not a

company in which the public are

substantially interested, -

(i) in the case of an industrial

company, -

(a) where the total income does

55 per cent. of the total

not exceed Rs. 2,00,000

income;

(b) where the total income

60 per cent. of the total

exceeds Rs. 2,00,000

income;

(ii) in any other case

65 per cent. of the total

income :

Provided that -

(i) the income-tax payable by

a domestic company, being

a company in which the
public are substantially
interested, the total
income of which exceeds
Rs. 1,00,000, shall not
exceed the aggregate of -
(a) the income-tax which
would have been payable
by the company if its
total income had been
Rs. 1,00,000 (the
income of Rs. 1,00,000
for this purposes being
computed as if such
income included income
from various sources in
the same proportion as
the total income of the
company); and
(b) eighty per cent. of
the amount by which
its total income
exceeds Rs. 1,00,000;
(ii) the income-tax payable by
a domestic company, not
being a company in which
the public are
substantially interested,
which is an industrial
company and the total
income of which exceeds

Rs. 2,00,000, shall not exceed the aggregate of -

(a) the income-tax which would have been payable by the company if its total income had been Rs. 2,00,000 (the income of Rs. 2,00,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent. of the amount by which its total income exceeds Rs. 2,00,000.

II. In the case of a company other than a domestic company, -

(i) on so much of the total income as consists of -

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961,

but before the 1st

day of April, 1976, or

(b) fees for rendering

technical services

received from an

Indian concern in

pursuance of an

agreement made by

it with the Indian

concern after the

29th day of February,

1964, but before the

1st day of April,

1976,

and where such agreement has,

50 per cent.;

in either case, been approved

by the Central Government

(ii) on the balance, if any, of 70 per cent

the total income

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of seven and a half per cent. of such income-tax.

(ii) in Part III, in Sub-Paragraph II of Paragraph A, for the figures "1980", the figures "1981" shall be substituted;

(iii) in Part IV, in rule 9, -

(A) for sub-rules (1) and (2), the following sub-rules shall be substituted, namely :-

(1) Where the assessee has, (2) of section 2 of this Act, -

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, or the 1st day of April, 1976, or the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, or the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, or the 1st day of April, 1979,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, and

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1980.

Explanation : In this sub-rule and sub-rule (2), the expression "section 2 of this Act" means section 2 of the Finance Act, 1979 (21 of 1979), as applied for the purposes of this Act.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1981, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment year commencing on the 1st day of April, 1974, or the 1st day of April, 1975, or the 1st day of April, 1976, or the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979, or the 1st day of April, 1980, is a loss, then, for the purposes of sub-section (6) of section 2 of this Act, -

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1974, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, or the 1st day of April, 1976, or the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979, or the 1st day of April, 1980,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1975, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, or the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979, or the 1st day of April, 1980,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, or the 1st day of April, 1978, or the 1st day of April, 1979, or the 1st day of April, 1980,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, or the 1st day of April, 1979, or the 1st day of April, 1980,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, or the 1st day of April, 1980,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, and

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, or the period aforesaid.';

(B) for sub-rule (5), the following sub-rule shall be substituted, namely :-

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to the Finance Act, 1974 (20 of 1974), or of the First Schedule to the Finance Act, 1975 (25 of 1975), or of the First Schedule to the Finance Act, 1976 (66 of 1976), or of the First Schedule to the Finance (No. 2) Act, 1977 (29 of 1977), or of the Schedule to the Finance Act, 1978 (19 of 1978), or of the First Schedule to the Finance Act, 1979 (21 of 1979), shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).".

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(2)	where the total income exceeds	15 per cent. of the amount
	Rs. 8,000 but does not exceed	by which the total income
	Rs. 15,000	exceeds Rs. 8,000;
(3)	where the total income exceeds	Rs. 1,050 plus 18 per cent.
	Rs. 15,000 but does not exceed	of the amount by which the
	Rs. 20,000	total income exceeds Rs. 15,000;
(4)	where the total income exceeds	Rs. 1,950 plus 25 per cent.
	Rs. 20,000 but does not exceed	of the amount by which the
	Rs. 25,000	total income exceeds Rs. 20,000;
(5)	where the total income exceeds	Rs. 3,200 plus 30 per cent.
	Rs. 25,000 but does not exceed	of the amount by which the
	Rs. 30,000	total income exceeds Rs. 25,000;
(6)	where the total income exceeds	Rs. 4,700 plus 40 per cent.
	Rs. 30,000 but does not exceed	of the amount by which the
	Rs. 50,000	total income exceeds Rs. 30,000;
(7)	where the total income exceeds	Rs. 12,700 plus 50 per cent.
	Rs. 50,000 but does not exceed	of the amount by which the
	Rs. 70,000	total income exceeds Rs. 50,000;

(8)	where the total income exceeds	Rs. 22,700 plus 55 per cent.
	Rs. 70,000 but does not exceed	of the amount by which the
	Rs. 1,00,000	total income exceeds Rs. 70,000;
(9)	where the total income exceeds	Rs. 39,200 plus 60 per cent.
	Rs. 1,00,000	of the amount by which the
		total income exceeds Rs. 1,00,000 :