Finance (No. 2) Act, 1998

Section 6 - Amendment of Section 16

In section 16 of the Income-tax Act, for clause (i), the following clause shall be substituted with effect from the 1st day of April, 1999, namely:--

"(1) in the case of an assessee whose income from salary, before allowing a deduction under this clause,--

(a) does not exceed one lakh rupees, a deduction of a sum equal to thirty-three and one-third per cent of the salary or twenty-five thousand rupees, whichever is less;

(b) exceeds one lakh rupees but does not exceed five lakh rupees, a deduction of a sum of twenty thousand rupees.

Explanation.-- For the purposes of this clause, where 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 this clause."

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