

Taxation Laws (Amendment) Act, 2001

4 of 2001

[20 March 2001]

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Taxation Laws (Amendment) Act, 2001

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An Act further to amend the Finance Act, 2000 and the Income-tax Act, 1961. BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows: --

1. Short Title And Commencement :-

(1) This Act may be called the Taxation Laws (Amendment) Act, 2001.

(2) It shall be deemed to have come into force on the 3rd day of February, 2001.

2. Amendment Of Section 2 :-

In section 2 of the Finance Act, 2000 (10 of 2000.) (hereinafter referred to as the principal Act),--

(a) in sub-section (4),--

(i) In clause (a), for the words "ten per cent.", the words "twelve per cent." shall be substituted;

- (ii) In clause (b), for the words "eleven per cent.", the words "thirteen per cent." shall be substituted;
- (b) In sub-section (6),--
 - (i) In clause (a), for the words "ten per cent." the words "twelve per cent." shall be substituted;
 - (ii) In clause (b), for the words "eleven per cent." the words "thirteen per cent." shall be substituted;
- (c) In sub-section (7),--
 - (i) In clause (a), for the words "ten per cent the words "twelve percent." shall be" substituted;
 - (ii) In clause (6), for the words "eleven per cent-, the words "thirteen per cent." shall be substituted;
- (d) In sub-section (8), in the third proviso, in clause (a), --
 - (i) In sub-clause (i), for the words "ten per cent." the words "twelve per cent." shall be substituted;
 - (ii) In sub-clause (ii), --
 - (A) In item (A), for the words "ten percent the words "twelve per cent." shall be substituted;
 - (B) In item (B), for the words "fifteen per cent", the words "seventeen per cent," shall be substituted;
- (e) In sub-section (8), in the third proviso, in clause (b), for the words "eleven per cent.", the words "thirteen percent" shall be substituted;
- (f) In sub-section (9), in the proviso, --
 - (i) In clause (a), --
 - (A) In sub-clause (i), for the words "ten per cent.", the words "twelve per cent." shall be substituted;
 - (B) In sub-clause (ii), for the words "fifteen per cent.", the words "seventeen per cent." shall be substituted;
 - (ii) In clause (b), for the words "ten percent" the words "twelve per cent." shall be substituted.

3. Amendment Of The First Schedule :-

In the First Schedule to the principal Act, --

- (a) In Part II, under the heading Surcharge on income-tax, ---
 - (i) In item (a), for the words "ten percent" the words "twelve per cent." shall be substituted;
 - (ii) In item (b), for the words "eleven percent the words "thirteen per cent." shall be substituted;
- (b) In Part III, in Paragraph A, under the heading Surcharge on income tax, --

(i) In item (i),--

(A) In sub-item (A), for the words "ten percent the words "twelve per cent." shall be substituted;

(B) In sub-item (B), for the words "fifteen percent" the words "seventeen per cent." shall be substituted;

(ii) In item (ii), for the words "ten percent", the words "twelve percent" shall be substituted;

(c) In Part III, in Paragraph B, under the heading Surcharge on income-tax, for the words "ten percent", the words "twelve per cent." shall be substituted;

(d) In Part III, in Paragraph C, under the heading Surcharge on income-tax, for the words "ten percent", the words "twelve per cent." shall be substituted;

(e) In Part III, in Paragraph D, under the heading Surcharge on income-tax, for the words "ten percent", the words "twelve per cent." shall be substituted;

(f) In Part III, in Paragraph E, under the heading Surcharge on income-tax, for the words "eleven percent", the words "thirteen per cent." shall be substituted.

4. Amendment Of Section 10 :-

In section 10 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in clause (23C), after the eighth proviso, the following proviso shall be inserted, namely:--

"Provided also that any amount of donation received by the fund or institution in terms of clause (d) of sub-section (2) of section 80G which has been utilised for purposes other than providing relief to the victims of earthquake in Gujarat or which remains unutilised in terms of sub-section (5C) of section 80G and not transferred to the Prime Ministers National Relief Fund on or before the 31st day of March, 2002 shall be deemed to be the income of the previous year and shall accordingly be charged to tax."

5. Amendment Of Section 12 :-

In section 12 of the Income-tax Act, after sub-section (2) and the Explanation thereto, the following sub-section shall be inserted, namely: --

"(3) Notwithstanding anything contained in section 11, any amount of donation received by the trust or institution in terms of clause (d) of sub-section (2) of section 80G which has been utilised for purposes other than providing relief to the victims of earthquake in

Gujarat or which remains unutilised in terms of sub-section (5C) of section 80G and not transferred to the Prime Ministers National Relief Fund on or before the 31st day of March, 2002 shall be deemed to be the income of the previous year and shall accordingly be charged to tax,".

6. Amendment Of Section 80G :-

In section 80G of the Income-tax Act, --

(a) In sub-section (1), in clause (i), --

(i) After the words, brackets, figures and letter "or in sub-clause (iiig)", the words, brackets, figures and letters "or in sub-clause (iiiga)" shall be inserted;

(ii) After the words, brackets and letter "or in clause (c)", the words, brackets and letter "or in clause

(d)" shall be inserted;

(b) In sub-section (2),--

(i) In clause (a), after sub-clause (iiig), the following sub-clause shall be inserted, namely: --

"(iiiga) any fund set up by the State Government of Gujarat exclusively for providing relief to the victims of earthquake in Gujarat;"

(ii) After clause (c), the following clause shall be inserted, namely: --

"(d) Any sums paid by the assessee, during the period beginning on the 26th day of January, 2001 and ending on the 30th day of September, 2001, to any trust, institution or fund to which this section applies for providing relief to the victims of earthquake in Gujarat."

(c) After sub-section (55), the following sub-section shall be inserted, namely: --

"(5C) This sub-section applies in relation to amounts referred to in clause

(d) Of sub-section (2) only if the trust or institution or fund is established in India for a charitable purpose and it fulfills the following conditions, namely:--

(i) It is approved in terms of clause (vi) of sub-section (5):

(ii) It maintains separate accounts of income and expenditure for providing relief to the victims of earthquake in Gujarat;

(iii) The donations made to the trust or institution or fund are applied only for providing relief to the earthquake victims of Gujarat on or before the 31st day of March, 2002;

- (iv) The amount of donation remaining unutilised on the 31st day of March, 2002 is transferred to the Prime Ministers National Relief Fund on or before the 31st day of March, 2002;
- (v) It renders accounts of income and expenditure to such authority and in such manner as may be prescribed, on or before the 30th day of June, 2002."

7. Amendment Of Section 234C :-

In section 234C of the Income-tax Act, in sub-section (7), after the second proviso, the following proviso shall be inserted, namely:--

"Provided also that nothing contained in this sub-section shall apply to any shortfall in the payment of the tax due on the returned income where such shortfall is on account of increase in the rate of surcharge under section 2 of the Finance Act, 2000 (10 of 2000) as amended by the Taxation Laws (Amendment) Act, 2001 and the assessee has paid the amount of shortfall on or before the 15th day of March, 2001 in respect of the installment of advance tax due on the 15th day of June, 2000, the 15th day of September, 2000 and 15th day of December, 2000."

8. Installment Of Advance Tax In Case Of Additional Surcharge, Payable On 15Th March, 2001 :-

Notwithstanding anything contained in the Income-tax Act, the surcharge payable under section 2 of, and Part III of the First Schedule to, the principal Act, as amended by this Act,--

- (i) In the case of an assessee, in respect of the installment of "advance tax" paid or payable on or before the 15th day of June, 2000, the 15th day of September, 2000 and the 15th day of December, 2000, shall be payable on or before the 15th day of March, 2001;
- (ii) In any case in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) Of section 174 or section 175 or sub-section (2) of section 176 of the Income-tax Act, shall be payable, only where such income-tax is so charged after the date on which this Act comes into force.

9. Repeal And Saving :-

- (1) The Taxation Laws (Amendment) Ordinance, 2001 is hereby repealed.
- (2) Notwithstanding such repeal, anything done or any action taken

under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.