

**TAXATION LAWS (EXTENSION TO JAMMU AND KASHMIR)
ACT, 1954**

41 of 1954

[8th October, 1954]

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SCHEDULE 1 :- THE SCHEDULE

**TAXATION LAWS (EXTENSION TO JAMMU AND KASHMIR)
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"Under the Constitution (Application to Jammu and Kashmir) Order, 1954, issued on the 14th day of May, 1954, the Constitution of India has been applied to the State of Jammu and Kashmir subject to certain modifications and exceptions, By reason of the Order, Parliament is now empowered inter alia to make laws relating to Central taxes for that State. The object of this Bill is to extend to that State the taxation laws in force in the rest of India relating to income-tax and duties of customs and excise with the necessary modifications. Under an agreement entered into between the Government of India and the Government of the State of Jammu and Kashmir the State Government may continue to levy for a period of ten years the existing duty on motor spirit. Clause 3 of the Bill makes necessary provision in this behalf."-Gaz. of Ind., 1954, Extra.. Pt, II, Section 2, p. 411, All Acto provide for the

extension of certain taxation laws to the State of Jammu and Kashmir and for matters connected therewith. BE it enacted by Parliament in the Fifth Year of the Republic of India as follows :-

1. Short title :-

This Act may be called THE TAXATION LAWS(EXTENSION TO JAMMU AND KASHMIR) ACT, 1954.

2. Extension of certain taxation laws to Jammu and Kashmir :-

(1) The following Acts, namely:-

¹(a) the Sea Customs Act, 1878,

¹(b) the Indian Income-tax Act, 1922,

¹(c) the Land Customs Act, 1924.

(d) the Government Trading Taxation Act, 1926,

¹ (e) the Indian Tariff Act, 1934,

(f) the Central Excises and Salt Act, 1944,

(g) the Payment of Taxes (Transfer of Property) Act, 1949.

(h) the Estate Duty Act, 1953. and all rules and orders made thereunder which are in force immediately before the commencement of this Act are hereby extended to, and shall be in force in, the State of Jammu and Kashmir.

(2) With effect from the commencement of this Act, the Acts mentioned in the Schedule shall be amended as specified in column 4 thereof.

(3) The Finance Act, 1951 and the First Schedule thereto, in so far as they have been made applicable in relation to income-tax and super-tax for the financial year 1954-55 by the Finance Act, 1954, shall have effect as if the words "excluding the State of Jammu and Kashmir" and the word, brackets, figure and letter "or (3E)" had been omitted from Parts I and II of the First to the Finance Act, 1951.

(4) Sections 6 and 10 of the Finance Act, 1954, which impose certain additional duties of customs and excise respectively shall apply to, and have effect in, the State of Jammu and Kashmir as they apply to, and have effect in, the rest of India.

1. Sea Customs Act, 1878, and Land Customs Act 1924 repealed by Customs Act, 1962, S. 160 and Sch., Income-tax Act, 1922 repealed by income-tax Act 1961, S. 297 and Tariff Act, 1934, repealed by Customs Tariff Act, 1975 S. 12.

3. Continuance of existing duty on motor spirit for a certain period :-

The Government of the State of Jammu and Kashmir may continue to levy and collect for a period of ten years from the 14th day of May, 1954, a duty at the rate of four annas per imperial gallon, or at such other lower rate per imperial gallon as the State Government may, by notification in the Official Gazette, specify in this behalf, on all motor spirit imported into the State otherwise than in petrol tanks by a supplier in the State or by an authorised agent on his behalf.

4. Construction of references to laws not in force in Jammu and Kashmir :-

Any reference in any Act mentioned in section 2 to a law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the corresponding law, if any, in force in that State.

5. Repeals :-

Save as otherwise provided in section 6 the following laws are hereby repealed namely:-

(a) the Matches (Excise Duty) Act, Svt. 1992 (4 of Svt. 1992).

(b) the Mechanical Lighters (Excise Duty) Act, Svt. 1992 (5 of Svt. 1992),

(c) the Sugar (Excise Duty) Act, Svt. 2000 (6 of Svt. 2000).

(d) the Tobacco (Excise Duty) Ordinance, Svt. 2001 (5 of Svt. 2001),

(e) the Income-tax Act, Svt. 2007 (10 of Svt. 2007), and

(f) the Jammu and Kashmir Customs Act, Svt. 1958, with the exception of the following provisions namely:-

(i) section 25 in so far as it authorises the State Government to prohibit the importation or exportation of newspapers or books as defined in the Jammu and Kashmir State Press and Publications Act of Svt. 1989.

(ii) sections 25A, 25B and 25C, and

(iii) any other provision contained in the said Act which may be necessary or relevant for the purpose of carrying into effect the provisions contained in the sections referred to in sub-clauses (i) and (ii).

6. Savings :-

(1) Notwithstanding the repeal by section 5 of any of the laws referred to therein-

(a) the Jammu and Kashmir Customs Act, 1958, shall continue to have effect for the purposes of the levy, assessment, collection or refund of the duty on motor spirit referred to in section 3 or the levy, assessment and collection of any duty due in respect of the import or export before the 14th day of May, 1954, of any article into or from the State of Jammu and Kashmir or for the purpose of imposing any penalty or for any other purpose whatsoever connected with or incidental to any of the purposes aforesaid;

(b) the Income-tax Act, Svt. 2007 (10 of Svt. 2007), shall continue to have effect for the purposes of the levy assessment and collection of income-tax and super-tax or for the purposes of any penalty, interest, composition-fee or any other demand under that Act in respect of any period prior to the previous year for the purposes of assessment under the Income-tax Act, 1922, for the year ending on the 31st day of March 1955.

(2) Without prejudice to the provisions contained in sub-section (1) and subject thereto, Section 6 of the General Clauses Act, 1897 shall apply in relation to the repeal of any of the laws referred to in section 5 as if the law so repealed had been an enactment within the meaning of section 6 of that Act.

7. Construction of references in any repealed law to officers, authorities, etc :-

Any reference in any law of the State of Jammu and Kashmir now repealed by this Act to an officer, authority, tribunal or Court shall, for purposes of carrying into effect the provision contained in clause (b) of sub-section (1) and sub-section (2) of section 6 be construed as a reference to the corresponding officer, authority, tribunal or Court appointed or constituted by or under the corresponding Act, rule or order now extended to the State, and if any question arises as to who such corresponding officer, authority, tribunal or Court

is, the decision of the Central Government thereon shall be final.

8. Removal of difficulties :-

If any difficulty arises in giving effect to any of the provisions of any of the Acts, rules or orders now extended to the State of Jammu and Kashmir, the Central Government may, by order ¹ published in the Official Gazette make such provision or give such direction as appears to it to be necessary for removing the difficulty.

1. For such an order see Gaz. of Ind., 31-12-1958, Part II, S. 3 (i) Ext., p. 600.

SCHEDULE 1

THE SCHEDULE

[See section 2 (2)] [Note.- Amendments provided in the Schedule have been carried out in the respective Acts mentioned therein, .]
