

**TAXATION LAWS (EXTENSION TO MERGED STATES AND
AMENDMENT) ACT, 1949**

67 of 1949

[31st December, 1949]

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34. Repeal and Saving

TAXATION LAWS (EXTENSION TO MERGED STATES AND AMENDMENT) ACT, 1949

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STATEMENT OF OBJECTS AND REASONS "The main object of the Bill is to replace by an Act the two Ordinances, namely, the Taxation Laws Amendment Ordinance, 1949 (IX of 1949) and the Taxation Laws (Extension to Merged States) Ordinance, 1949 (XXI of 1949). The first Ordinance was promulgated on the 10th June, 1949 and contained mainly such provisions of the Taxation Laws Amendment Bill (which is being withdrawn) as were noncontroversial and were immediately necessary. The second Ordinance was promulgated on the 26th August 1949. for extending the Taxation Laws, after necessary amendments, to the merged States which by Orders under S.290A of the Government of India Act, 1935, formed part of a Governor's Province or were formed into a separate Chief Commissioner's Province. Opportunity has also been taken to include In the Bill two other amendments to the Indian Income-tax Act, 1922. One amendment relates to exemption of the income of Scientific Research Associations which are approved for the purposes of section 10 (2) (xiii) of the Indian

Income-tax Act. The other amendment is to enable the President of the Income-tax Appellate Tribunal or any selected member thereof singly to dispose of appeals in small cases in which the total income determined by the Income-tax Officer does not exceed Rs. 15,000."-Gaz. of Ind 1949, Pt. V, p. 385.

CHAPTER 1

PRELIMINARY

1. Short title :-

This Act may be called THE TAXATION LAWS(EXTENSION TO MERGED STATES AND AMENDMENT) ACT, 1949.

CHAPTER 2

EXTENSION OF TAXATION LAWS TO MERGED STATES

2. Definitions :-

In this Chapter- (1) the expression "merged States" means all the States and parts of States which are administered by virtue of the States' Merger (Governors' Provinces) Order, 1949¹, as if they formed part of a Governor's Province or administered by virtue of the States' Merger (Chief Commissioners' Provinces) Order 1949, as if they were a Chief Commissioner's Province, (2) "appointed day" means- (a) the 1st day of August, 1949, in relation to the State specified- (i) in Schedules I to VI of the States' Merger (Governors' Provinces) Order, 1949, and (ii) in paragraph (1) of Article 2 of the States' Merger (Chief Commissioner's Provinces) Order, 1949; and (b) the 1st day of December, 1949, in relation to the States of Banaras and Tehri-Garhwal.

1. Now called Foreign Jurisdiction Act, 1947.

3. Extension of taxation laws to merged States :-

4. Interpretation of laws as extended :-

In any Act, rule or order extended by section 3 to the merged States, notwithstanding anything contained in General Clauses Act, 1897 -

(a) any reference, by whatever form of words, to the Acceding States or the Indian States shall be construed as not including a reference to any of the merged States;

(b) any reference, by whatever form of words, to British subjects shall be deemed to include a reference to persons who, immediately before the appointed day, were subjects of any of the merged States;

(c) any reference, by whatever form of words, to any Governor's Province shall be construed as including a reference to those merged States which are now administered as if they formed part of that Province; and

(d) any reference by whatever form of words, to the Provinces generally or to the Chief Commissioner's Provinces generally shall be construed as including a reference to those merged States which are now administered as if they were a Chief Commissioner's Province.

5. General notice for return of income In the case of merged States- The provisions of sub-sec :-

6. Removal of difficulties :-

If any difficulty arises in giving effect to the provisions of any Act, rule or order extended by section 3 to the merged States, the Central Government may by order, make such provisions or give such directions as appear to it to be necessary for removal of the difficulty.

7. Repeal of corresponding laws and savings :-

(2) Notwithstanding anything contained in any Order made by the Government of any Province under the Extra Provincial Jurisdiction Act, 1947, applying the Indian Income-tax Act, 1922, or the Business Profits Tax Act, 1947, to any of the merged States now administered as part of that Province, and repealing the corresponding enactment, if any, of that merged State in force therein immediately before such application, that enactment shall be deemed to be a law in force in that merged State immediately before the 26th day of August, 1949, and the provisions of this sub-section (1) of this section shall apply accordingly in relation to that law and all references to the Indian Income-tax Act, 1922 and the Business Profits Tax Act, 1947, shall be omitted from, and shall be deemed never to have been included in, the said Order.

CHAPTER 3
CHAPTERS

8. . :-

Note.- These Chapters contain sections 8 to 33. By these sections the following Acts and Ordinance are amended, namely,- 1. the Indian Income-tax Act, 1922, 2. the Indian Finance Act, 1942; 3. the Excess Profits Tax Ordinance, 1943; 4. the Indian Finance Act,

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CHAPTER 9

MISCELLANEOUS

34. Repeal and Saving :-

(1) The Taxation Laws (Extension to Merged States) Ordinance, 1949 and the Taxation Laws Amendment (Second) Ordinance, 1949 are hereby repealed.

(2) Notwithstanding any such repeal or the expiry of the Excess Profits Tax Ordinance (Amendment) Ordinance, 1948, the Taxation on Income (Investigation Commission) (Amendment) Ordinance, 1948, the Indian Income-tax (Amendment) Ordinance, 1948, and the Taxation Laws (Amendment) Ordinance, 1949, anything done or any action taken in the exercise of any power conferred by any

of the Ordinances referred to in this section shall for all purposes be deemed to have been done or taken in the exercise of the powers conferred by this Act as if this Act were in force on the day on which such thing was done or action was taken,