

CENTRAL BOARDS OF REVENUE ACT, 1963

54 of 1963

[30th December, 1963]

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The object of this Bill is to replace the Central Board of Revenue Act, 1924, by this law which provides for the constitution of two Boards named, respectively, as the Central Board of Direct Taxes and the Central Board of Excise and Customs. Owing to the very considerable expansion of the Union revenue administration since 1924, substantial strengthening of the Board of Revenue at the Centre as well as its functional bifurcation has become a matter of urgent necessity. Such separation has also been recommended by the Direct Taxes Administration Enquiry Committee and more recently, by the Central Excise Reorganisation Committee. The Bill seeks to give effect to those recommendations which have since been accepted by Government - See Gazette of India, 1963, Pt. II, Sec. 2, Extra, p. 775.

1. Short title, and commencement :-

(1) This Act may be called THE CENTRAL BOARDS OF REVENUE ACT, 1963.

(2) It shall come into force on such date¹ as the Central

Government may, by notification in the Official Gazette, appoint.

1. The date appointed is 1-1-1964, see Gaz. of India, 30-12-1963, Pt. H, S. 3(ii), Ext., p. 897. in Goa Daman and Diu, enforced on and from 28-2-1963 -Goa Govt. Gaz., 28-2-1963, Sr. I" p. 81.

2. Definitions :-

In this Act, unless the context otherwise requires,-

(a) "Board" means the Central Board of Direct Taxes or the Central Board of Excise and Customs constituted under section 3 ;

(b) "Central Board of Revenue" means the Central Board of Revenue constituted under Central Board of Revenue Act, 1924;

(c) "direct tax" means-

(1) any duty leviable or tax chargeable under-

(i) Estate Duty Act, 1953 ;

(ii) Wealth-tax Act, 1957;

1(iii) Expenditure-tax Act, 1957:

(iv) Gift-tax Act, 1958;

(v) Income-tax Act, 1961;

1(vi) Super Profits Tax Act, 1963 ; **3**[x x xxx]

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[(vii) Interest-tax Act, 1974; **5**[and]

2[(viii) Hotel-Receipts Tax Act, 1980; **7**[x x]]

1 [(ix) Expenditure-tax Act, 1987; and]

(2) any other duty or tax which, having regard to its nature or incidence, may be declared by the Central Government, by notification in the Official Gazette, to be a direct tax.

1. The Expenditure-tax Act, 195.' and the Super Profits Tax Act, 1963 are repealed by the Finance Act (13 of 1966), Ss. 40 and 42 respectively (1-4-1966).

3. Word "and "occurring at the end of item (vi) omitted and item (vii) inserted thereafter, by the Interest-tax Alt (45 of 1974), S. 30 (23-9-74).

5. Word "and "occurring at the end of item (vii) omitted and item (viii) inserted by the Hotel-Receipts Tax Act (54 of 1980),S.37(9-

12-1980).

7. Word "and" occurring at the end of item (viii) omitted and item (ix) inserted by the Expenditure-tax Act (35 of 1987), S. 33 (1-11-1987).

3. Constitution of separate Central Boards for Direct Taxes and for Excise and Customs :-

(1) The Central Government shall, in place of the Central Board of Revenue, constitute two separate Boards of Revenue to be called the Central Board of Direct Taxes and the Central Board of Excise and Customs, and each such Board shall, subject to the control of the Central Government, exercise such powers and perform such duties, as may be entrusted to that Board by the Central Government or by or under any law.

(2) Each Board shall consist of such number of persons ¹ [not exceeding seven] as the Central Government may think fit to appoint.

1. Substituted for the words "and not exceeding five" by the Customs, Central Excises and Salt and Central Board of Revenue (Amendment) Act (25 of 1978), S. 27 (21-6.1978).

4. Procedure of the Board :-

(1) The Central Government may make rules¹ for the purpose of regulating the transaction of business by each Board and every order made or act done in accordance with such rules shall be deemed to be the order or act, as the case may be, of the Board.

(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

1. For the Central Board of Direct Taxes (Regulation of Transaction of Business) Rules, 1964 and Central Board of Excise and Customs (Regulation of Transaction of Business) Rules, 1964, see Gaz. of Ind., 1-1-1964, Pt. II, S. 3 (ii). E.it., pages 3. 4.

5. Amendment of certain enactments :-

(1) In Estate Duty Act, 1953 , Wealth-tax Act, 1957, Expenditure-tax Act, 1957, Gift-tax Act, 1958, Income-tax Act, 1961 and Super Profits Tax Act, 1963 . for the words and figures "Central Board of Revenue constituted under Central Board of Revenue Act, 1924" or "Central Board of Revenue", wherever they occur, the words and figures "Central Board of Direct Taxes constituted under the Central Boards of Revenue Act. 1963" shall be substituted.

(2) In Central Excises and Salt Act, 1944, and Customs Act, 1962 , for the words and figures "Central Board of Revenue constituted under Central Board of Revenue Act, 1924" or "Central Board of Revenue" wherever they occur, the words and figures "Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963" shall be substituted.

(3) The functions entrusted to the Central Board of Revenue by or under any other enactment shall,-

(a) if such functions relate to matters connected with direct taxes, be discharged by the Central Board of Direct Taxes; and

entrusted by the Central Government to the Central Board of Direct Taxes, be discharged by the Central Board of Excise and Customs.

6. Transfer of certain proceedings :-

(1) Every proceeding pending at the commencement of this Act, before the Central Board of Revenue shall-

(a) if it is a proceeding relating to direct taxes, stand transferred to the Central Board of Direct Taxes: and

(b) in any other case. stand transferred to the Central Board of Excise and Customs.

(2) If any question arises as to whether any proceeding stands transferred to the Central Board of Direct Taxes or to the Central Board of Excise and Customs, it shall be referred to the Central Government whose decision thereon shall be final.

7. Power to remove difficulties :-

(1) If any difficulty arises in giving effect to the provisions of this Act. the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the purposes

of this Act, as appear to it to be necessary or expedient for removing the difficulty.

(2) An order under sub-section (1) may be made so as to have retrospective effect from a date not earlier than the date of the commencement of this Act.

(3) In any legal proceeding pending at the commencement of this Act to which the Central Board of Revenue is a party,-

(a) if it is a proceeding relating to direct taxes, the Central Board of Direct Taxes shall be deemed to be substituted for the Central Board of Revenue in such proceeding; and

(b) if it is a proceeding relating to any other matter, the Central Board of Excise and Customs shall be deemed to be substituted for the Central Board of Revenue in such proceeding.

8. Repeal and saving :-

(1) Central Board of Revenue Act, 1924, is hereby repealed.

(2) Nothing contained in sub-section (1) shall affect any appointment, assessment, order (including quasi-judicial order) or rule made, or exemption, approval or recognition granted, or any notice, notification, direction or instruction issued, or any duty levied, or penalty or fine imposed, or confiscation adjudged, or any form prescribed, or any other thing done or action taken by the Central Board of Revenue under any law and any such appointment, assessment, order, rule, exemption, approval, recognition, notice, notification, direction, instruction, duty, penalty, fine, confiscation, form, thing or action shall be deemed to have been made, granted, issued, levied, imposed, adjudged, prescribed, done or taken by the Central Board of Direct Taxes, or as the case may be, by the Central Board of Excise and Customs and shall continue to be in force unless and until it is revised, withdrawn or superseded by the concerned Board.