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# THE ORISSA GAZETTE

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## PART VI

Bills introduced into the Council of the Governor General of India and  
Bills published before introduction in that Council

### GOVERNMENT OF INDIA

#### LEGISLATIVE DEPARTMENT

The following Bill was introduced in the Council of State on the 10th March, 1943:—

C. OF S. BILL NO. 1 OF 1943.

*A Bill further to amend the Indian Income-tax Act, 1922*

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922 (XI of 1922), for the purpose herein-after appearing;

It is hereby enacted as follows:—

**1. Short title and commencement.**—(1) This Act may be called the Indian Income-tax (Amendment) Act, 1943.

(2) It shall come into force at once.

**2. Amendment of section 30 (1) Act XI of 1922.**—In subsection (1) of section 30 of the Indian Income-tax Act, 1922 (XI of 1922), after the words and comma “ or denying his liability be assessed under this Act,” the following shall be inserted:—

“ or denying his liability to make or to have made a deduction under section 18 ”.

**3. Amendment of section 30 (2) Act XI of 1922.**—In subsection (2) of section 30 of the Indian Income-tax Act, 1922 (XI of 1922), after the words “ thirty days ” the following shall be inserted:—

“ of an intimation from an Income-tax Officer that a person should deduct or should have deducted tax under any of the provisions of section 18, or ”.

4. *Amendment of section 31, Act XI of 1922*—In subsection (3) of section 31, after sub-clause (g) the following shall be inserted:—

“ or, in the case of an appeal from an intimation from an Income-tax Officer that a person should deduct or should have deducted tax under any of the provisions of section 18,

(h) confirm, cancel or vary such intimation.”

#### STATEMENTS OF OBJECTS AND REASONS

The Indian Income-tax Act deems a person who fails to deduct tax in accordance with the provisions of section 18 to be an assessee in default with the consequences that he becomes liable to make the payment of tax and may be subjected to a penalty. The Act gives him no right of appeal where he disputes his liability to make a deduction.

Income-tax Officers who consider that a deduction should be made or should have been made so intimate with the threat of penalty. The Act contains no machinery by which a person who receives such an intimation and who has been advised or considers he is not liable to deduct tax can have the dispute adjudicated upon. It is therefore necessary to provide such machinery by giving any such person a right of appeal.

R. H. PARKER

NEW DELHI :

*The 1st February 1943*

G. H. SPENCE

*Secretary to the Government of India*