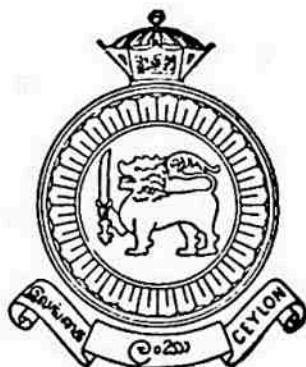


PARLIAMENT OF CEYLON

3rd Session 1954-55



Income Tax (Amendment) Act, No. 28 of 1954

Date of Assent : June 22, 1954

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AN ACT TO AMEND THE INCOME TAX ORDINANCE.

Chapter 188
(Vol. IV.,
page 609).

[Date of Assent: June 22, 1954.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Income Tax (Amendment) Act, No. 28 of 1954.

Short title.

2. Section 2 of the Income Tax Ordinance (hereinafter referred to as "the principal enactment") is hereby amended, in the definition of "written-down value" (as amended by Act No. 44 of 1949) by the substitution, for the words and figures "under paragraph (cc) of section 9 (1),", of the words and figures "under paragraph (cc) or paragraph (ccc) of section 9 (1),".

Amendment of
section 2 of
Chapter 188.

3. Section 7 of the principal enactment is hereby amended in sub-section (1) thereof as follows:—

Amendment
of section
7 of the
principal
enactment.

(a) in paragraph (m), by the substitution, for the words "Savings Bank; and", of the words "Savings Bank;", and

(b) by the insertion, immediately after paragraph (m), of the following new paragraph:—

"(mm) any sum paid to the owner of an estate out of the Rubber Re-planting Subsidy Fund (established under the Rubber Re-planting Subsidy Act, No. 36 of 1953) for the purpose of subsidising the re-planting of rubber plants in that estate; and".

4. Section 7A of the principal enactment (inserted by Act No. 36 of 1951) is hereby amended as follows:—

Amendment of
section 7A of
the principal
enactment.

(1) in sub-section (1), by the substitution for the words "three years", of the words "six years"; and

(2) in sub-section (2), by the substitution, for the words "next two", of the words "next five".

Amendment of
section 7B of
the principal
enactment.

5. Section 7B of the principal enactment (inserted by Act No. 36 of 1951) is hereby amended as follows:—

- (1) in sub-section (1), by the substitution, in paragraph (a) of that sub-section, for the word and figures " March 31, 1954," of the word and figures " March 31, 1957,"; and
- (2) in sub-section (2), by the substitution for the words " next two ", of the words " next five ".

Amendment of
section 9 of
the principal
enactment.

6. Section 9 of the principal enactment is hereby amended as follows:—

(1) in sub-section (1)—

(a) in paragraph (c) (as amended by Act No. 44 of 1949)—

(i) by the substitution, for the words " paragraph (cc) of this sub-section ", of the words " paragraph (cc) or paragraph (ccc) of this sub-section "; and

(ii) in the Proviso to that paragraph, by the substitution, for the words " cost of renewal ", of the words " cost of renewal less the deductions allowed in respect of such plant, machinery or fixtures under paragraph (cc) (i) or paragraph (ccc) (i) of this sub-section ";

(b) in paragraph (cc) (inserted by Act No. 44 of 1949), by the substitution, in the Proviso to that paragraph, for the words " four years ", of the words " three years "; and

(c) by the insertion, immediately after paragraph (cc), of the following new paragraph:—

" (ccc) (i) a sum equal to 15 per centum of the cost of any such plant, machinery or fixtures used in an agricultural or industrial undertaking carried on by him as may have been purchased by him in the period of which the profits or income are being ascertained;

- (ii) a sum equal to $33\frac{1}{3}$ per centum of any expenditure actually incurred by him during the aforesaid period in constructing any staff welfare building or any building for use as a dwelling-house by any member of the subordinate staff employed by him in, or for the purposes of, or in connection with, such undertaking;
- (iii) a sum equal to 10 per centum of any expenditure actually incurred by him during the aforesaid period in constructing any building occupied, for the purposes of such undertaking, otherwise than as a dwelling-house; and
- (iv) a sum equal to 10 per centum of any expenditure actually incurred by him during the aforesaid period in constructing, on any estate exceeding two hundred acres in extent of which he is the owner, any building for use as a dwelling-house by any member of the resident staff of that estate other than a member of the subordinate staff:

Provided that the preceding provisions of this paragraph shall apply in the ascertainment of profits or income of any period, only if such profits or income are being ascertained for the purpose of determining the statutory income for the year of assessment commencing on the first day of April, 1953, or for any of the five years of assessment immediately succeeding.”;

(2) in sub-section (1A) (inserted by Act No. 44 of 1949)—

(a) by the substitution, for the words “ In paragraph (cc) of ”, of the word “ In ”;

(b) by the insertion, immediately after the definition of "agricultural undertaking" of the following definition:—

“estate” has the same meaning as in section 30 (1) (b) of this Ordinance;’ ;

(c) in the definition of “industrial undertaking”, by the substitution in paragraph (b), for the words “goods; and”, of the word “goods;”;

(d) in the definition of “member of the subordinate staff”, by the substitution, for the word “mentioned.”, of the words “mentioned; and”; and

(e) by the insertion, immediately after the definition of “member of the subordinate staff”, of the following definition:—

“staff welfare building” means any building at which facilities or amenities for or in connection with health, recreation or education are provided for the benefit of the subordinate staff.’ ; and

(3) by the insertion, immediately after sub-section (1c) (inserted by Act No. 44 of 1949), of the following new sub-section (1d):—

“(1d) Notwithstanding the provisions of section 75, a claim for a deduction under paragraph (ccc) of sub-section (1) made in connection with the determination of the statutory income for the year of assessment commencing on the first day of April, 1953, shall be entertained if it is made before the thirty-first day of August, 1954.”

Insertion of
new section
31 in the
principal
enactment.

7. The following new section shall be inserted immediately after section 30, and shall have effect as section 31, of the principal enactment:—

Deduction of
certain
expenses in
ascertaining
profits from
estates.

31. There shall be deducted for the purposes of ascertaining the profits from an estate for the year of assessment commencing on the first day of April, 1953, and for every year of assessment thereafter—

(a) the cost of the maintenance of any immature area in the estate, and

- (b) all expenses incurred by the owner in re-planting the whole or any portion of the estate with trees of any description referred to in section 30 (1) (a), including the cost of clearing and preparing the land for such re-planting.

In this section "estate" has the same meaning as in section 30.

8. The principal enactment is hereby amended in the heading "JJ—Donations to Charity" occurring immediately above section 44A (inserted by Act No. 36 of 1951) by the omission of the words "to Charity".

Amendment of heading occurring above section 44A in the principal enactment.

9. Section 44A of the principal enactment is hereby amended as follows:—

Amendment of section 44A of the principal enactment.

- (1) in the marginal note to that section, by the substitution, for the words "donations to", of the words "donations to the Government of Ceylon or to";
- (2) in sub-section (1), by the substitution, for the words "made to", of the words "made to the Government of Ceylon or to"; and
- (3) in sub-section (4), by the substitution, for all the words from "two or more donations" to "such charities," of the words "two or more donations, whether to the same approved charity or to different such charities, or to the Government of Ceylon, or to one or more approved charities and to the Government of Ceylon,".

10. Section 85 of the principal enactment is hereby amended as follows:—

Amendment of section 85 of the principal enactment.

- (1) in sub-section (2), by the substitution, for all the words from "fine not exceeding" to "amount of tax", of the words "fine not exceeding two thousand rupees, or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment and, in addition to such punishment, to pay a sum equal to double the amount of tax"; and

- (2) in sub-section (3), by the substitution, for the words " three years ", of the words " five years ".

Retrospective
effect of
this Act.

11. The amendments made in the principal enactment by the preceding provisions of this Act shall be deemed to have come into force on the first day of April, 1953.