

PARLIAMENT OF CEYLON

4th Session 1950



Income Tax (Amendment) Act, No. 30 of 1950

Date of Assent : October 20, 1950

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No. 4/7/48 (MF/G).

AN ACT TO AMEND THE INCOME TAX ORDINANCE.

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

[Date of Assent: October 20, 1950.]

BE it enacted by the King'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. 30 of 1950.

Short title

2. Section 6 of the Income Tax Ordinance (hereinafter referred to as "the principal Ordinance") is hereby amended, in sub-section (2) thereof, by the addition at the end of paragraph (a) (ii) of that sub-section of the following:—

Amendment of
section 6 of
Chapter 188.

"and any sum refunded under any regulation relating to any Widows' and Orphans' Pension Fund or Scheme established for the Local Government Service which corresponds to the aforesaid section 38 (1) or section 39;"

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

Amendment of
section 7 of
the principal
Ordinance.

(1) by the insertion, immediately after paragraph (b) of that sub-section, of the following new paragraph:—

"(bb) the income of any Widows' and Orphans' Pension Fund or Scheme established for the Local Government Service;"

(2) by the insertion, immediately after paragraph (i) of that sub-section, of the following new paragraph:—

"(ii) United States Government Disability Pensions;"

4. Section 9 of the principal Ordinance is hereby amended in sub-section (1) thereof, by the addition, at the end of paragraph (f) of that sub-section, of the following:—

Amendment of
section 9 of
the principal
Ordinance.

"any contribution or abatement deducted from the salary or pension of a member of the Local Government Service under the regulations relating to the establishment of any Widows' and Orphans' Pension Fund or Scheme for that service; and"

Amendment of
section 15 of
the principal
Ordinance.

5. Section 15 of the principal Ordinance is hereby amended in the second Proviso to that section, by the substitution, for the word "respectively," of the following:—

"respectively, and for the year of assessment commencing on the first day of April, 1950, and for each subsequent year of assessment,".

Amendment of
section 16 of
the principal
Ordinance.

6. Section 16 of the principal Ordinance is hereby amended in sub-section (2) thereof, by the substitution, for paragraph (c) of that sub-section, of the following:—

'(c) "child", in relation to any person, includes a step-child of that person or a child authorised by an adoption order made under the Adoption of Children Ordinance, No. 24 of 1941, to be adopted by that person, but does not include any other adopted child or any illegitimate child.'

Amendment of
section 20 of
the principal
Ordinance.

7. Section 20 of the principal Ordinance is hereby amended as follows:—

(1) in sub-section (4) thereof, by the substitution, for the word "respectively," of the following:—

"respectively, and for the year of assessment commencing on the first day of April, 1950, and for each subsequent year of assessment,";

(2) in sub-section (7) thereof—

(a) in paragraph (ii) of the Proviso to that sub-section, (i) by the substitution for the words "and for each subsequent year of assessment," of the words "and for the next two subsequent years of assessment," and (ii) by the substitution for the words "per centum." of the words "per centum; and";

(b) by the addition at the end of that Proviso, of the following new paragraph:—

"(iii) for the year of assessment commencing on the first day of April, 1950, and for each

subsequent year of assessment, the rate of tax chargeable as aforesaid shall be increased by a further additional rate of ten per centum.”;

(3) in sub-section (7B) thereof—

(a) in paragraph (ii) of the Proviso to that section, (i) by the substitution, for the words “and for each subsequent year of assessment,” of the words “and for the next two subsequent years of assessment,” and (ii) by the substitution for the words “per centum.” of the words “per centum; and”;

(b) by the addition at the end of that Proviso, of the following new paragraph:—

“ (iii) for the year of assessment commencing on the first day of April, 1950, and for each subsequent year of assessment, the rate of tax chargeable as aforesaid shall be increased by a further additional rate of ten per centum. ”;

(4) in sub-section (8) thereof—

(a) by the substitution, for the words “and for each subsequent year of assessment,” occurring in the Proviso to that sub-section, of the words “and for the next two subsequent years of assessment,”; and

(b) by the addition at the end of that sub-section of the following new Proviso:—

“ Provided, further, that for the year of assessment commencing on the first day of April, 1950, and for each subsequent year of assessment, the rate of tax chargeable as aforesaid shall be increased by an additional rate of five per centum on such taxable income.”;

- (5) in sub-section (10) thereof, by the substitution for the word "Ordinance," of the following:—

"Ordinance or under any regulation relating to any Widows' and Orphans' Pension Fund or Scheme established for the Local Government Service which corresponds to the said section 38 (1) or section 39, ";

- (6) in sub-section (11A) thereof, by the substitution for the words "and for each subsequent year of assessment," of the words "and for the next two subsequent years of assessment,";

- (7) by the insertion, immediately after sub-section (11A), of the following new sub-section:—

"(11B) Notwithstanding anything in sub-section (11), tax shall be charged for the year of assessment commencing on the first day of April, 1950, and for each subsequent year of assessment, at twice the unit rate, increased by an additional rate of ten per centum upon the taxable income for that year of every company, not being a company in the case of which tax is chargeable under sub-section (7) or sub-section (8)."

Amendment of section 22 of the principal Ordinance.

8. Section 22 of the principal Ordinance is hereby amended, in sub-section (1) thereof, by the addition at the end of that sub-section of the following:—

"Provided that in the case of a person who is not resident in Ceylon immediately prior to his arrival therein, a notice given within the period of twelve months next succeeding his arrival in Ceylon shall be effective for the purposes of this sub-section."

Repeal.

9. Sections 31 and 32 of the principal Ordinance are hereby repealed.

Amendment of section 43 of the principal Ordinance.

10. Section 43 of the principal Ordinance is hereby amended as follows:—

- (1) in sub-section (1) thereof—

- (a) in paragraph (c) of that sub-section, (i) by the substitution, for all the words from "any year" to "April, 1947, ", of the

words " the year of assessment commencing on the first day of April, 1947, or any of the next two subsequent years of assessment, " and (ii) by the substitution for the word " dividend: " at the end of that paragraph, of the words " dividend; or ";

(b) by the addition, immediately after paragraph (c) of that sub-section, of the following new paragraph:—

" (d) where the preceding year as aforesaid is any year of assessment commencing on or after the first day of April, 1950, at twice the aforesaid unit rate, increased by an additional rate of ten per centum, on the amount of the dividend: ";

(2) in sub-section (4) thereof—

(a) in paragraph (c) of that sub-section, (i) by the substitution for all the words from " any year " to " April, 1947, " of the words " the year of assessment commencing on the first day of April, 1947, or any of the next two subsequent years of assessment, " and (ii) by the substitution for the word " dividend. " at the end of that paragraph, of the words " dividend; or ";

(b) by the addition, immediately after paragraph (c) of that sub-section, of the following new paragraph:—

" (d) in the case of any year of assessment commencing on or after the first day of April, 1950, at twice the aforesaid unit rate, increased by an additional rate of ten per centum on the amount of such dividend. ".

11. Section 44 of the principal Ordinance is hereby amended as follows:—

(1) in sub-section (1) thereof—

(a) in paragraph (c) of that sub-section, (i) by the substitution for all the words from " any year " to " April, 1947, " of the words " the year of assessment commencing on the first day of April, 1947, or any of the next two subsequent years of assessment ", and (ii) by the substitution for the word " sum, " at the end of that paragraph, of the words " sum; or ";

Amendment of
section 44 of
the principal
Ordinance.

(b) by the addition, immediately after paragraph (c) of that sub-section, of the following new paragraph:—

“ (d) where the preceding year of assessment is any year of assessment commencing on or after the first day of April, 1950, at twice the aforesaid unit rate, increased by an additional rate of ten per centum, on such sum, ”;

(2) in sub-section (5) thereof—

(a) in paragraph (b) of that sub-section, (i) by the substitution for the words “ and any subsequent year of assessment, ” of the words “ and the next two subsequent years of assessment, ” and (ii) by the substitution, for the full stop occurring at the end thereof, of “ ; or ”;

(b) by the insertion, immediately after paragraph (b) of that sub-section, of the following new paragraph:—

“ (c) in the case of the year of assessment commencing on the first day of April, 1950, and each subsequent year of assessment, every reference to the unit rate shall be construed as a reference to the unit rate, increased by one half of the additional rate of ten per centum provided for by section 43 (1) (d) or section 44 (1) (d). ”.

Amendment of
section 45 of
the principal
Ordinance.

12. Section 45 of the principal Ordinance is hereby amended, in sub-section (1) thereof, by the addition at the end of that sub-section of the following:—

“ The preceding provisions of this sub-section shall not apply in respect of any year of assessment commencing on or after April 1, 1950. ”.