

(6) In cases to which the Second Schedule to the Income Tax Ordinance, 1984 (XXXVI of 1984), applies, the tax chargeable shall be determined as provided in that Schedule but with reference to the rates imposed by sub-section (1), or in accordance, where applicable, with the provisions of sub-section (2).

(7) For the purpose of making deduction of tax under Chapter VII of the Income Tax Ordinance, 1984 (XXXVI of 1984), the rates specified in the Second Schedule shall apply as respects the year beginning on the first day of July, 1985, and ending on the thirtieth day of June, 1986.

(8) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purpose of income tax in accordance with the provisions of the Income Tax Ordinance, 1984 (XXXVI of 1984).

#### **THE FIRST SCHEDULE** (See section 3)

#### **Amendment of the FIRST SCHEDULE to the Excises and Salt Act, 1944 (I of 1944).**

##### **In PART I,-**

(a) in SECTION IV, *for* Item No. 04. 07 the following shall be *substituted*, namely:-

"04. 07 Matches-

"Matches" include a firework in the form of a match, and where a match stick has more heads than one capable of being ignited by striking, each such head shall be deemed to be a match.

(1) Matches in boxes or booklets containing on an average-

- (i) not more than forty matches Taka five per gross of boxes or booklets.
- (ii) more than forty but not more than fifty matches Taka six and poisha twenty-five per gross of boxes or booklets.
- (iii) more than fifty but not more than sixty matches Taka seven and poisha fifty per gross of boxes or booklets.
- (iv) more than sixty but not more than eighty matches Taka ten per gross of boxes or booklets.
- (2) All other matches. Taka one and poisha twenty-five for every one thousand four hundred and forty matches or fraction thereof.”;
- (b) in SECTION V, in Item No. 05.02(1), clause (d) in the second column and the entries relating thereto in the third column shall be *omitted*;
- (c) in SECTION VIII,-
- (i) for Item No. 08.06 the following shall be *substituted*, namely:-
- “08.06 Woollen yarn, all sorts, Thirty *per cent ad valorem*.; including knitting wool
- (ii) in Item No. 08.07 , for sub-items(2), (3) and (4) the following shall be *substituted*, namely :-
- (2) Blankets and shawls Thirty *per cent ad valorem*.
- (3) Knitted woollen articles Thirty *per cent ad valorem*.
- (4) Woollen fabrics not otherwise specified Thirty *per cent ad valorem*.;
- (d) in SECTION IX, in Item No. 09.03, in column 3, for the word “twenty-five” the words “one hundred” shall be *substituted*;
- (e) in SECTION X, in Item No. 10.03, in column 3, for the entry “Taka one thousand per metric ton.” the entry “Ten *per cent ad valorem*.”; shall be *substituted*;
- (f) in SECTION XII,-
- (i) In Item No. 12.08, in column 3, for the entry “Taka three per linear metre of each print.” the entry “Taka two lakhs per film.” shall be *substituted*;

(ii) *after* Item No. 12.08, the following new Item No. 12.09 shall be *added*, namely:-

“12.09 Tarpaulin, all sorts      *Ten per cent ad valorem.*”.

**THE SECOND SCHEDULE**  
(See section 9)

**Rates of Income tax**

**A.** In the case of every individual, Hindu undivided family, unregistered firm, an association of persons and every artificial juridical person referred to in section 2(46) of the Income Tax Ordinance, 1984 (XXXVI of 1984), not being a case to which paragraph B applies-

|                                                      | Rates. |
|------------------------------------------------------|--------|
| (1) On the first taka 50,000 of taxable income .. .. | 10%    |
| (2) On the next taka 50,000 of taxable income .. ..  | 20%    |
| (3) On the next taka 50,000 of taxable income .. ..  | 30%    |
| (4) On the next taka 50,000 of taxable income .. ..  | 40%    |
| (5) On the balance of taxable income .. .. ..        | 50% :  |

Provided that-

(i) no income tax shall be payable on a total income, which before the deduction of the sums, if any, exempted under paragraphs 1 to 14, 17, 18 and 20 of Part B of the Sixth Schedule to the Income Tax Ordinance, 1984 (XXXVI of 1984), does not exceed taka 30,000; and

(ii) the income tax payable shall in no case exceed-

(a) one-third of the amount by which the total income exceeds taka 30,000, or

(b) the amount representing fifty *per cent* of the total income, whichever amount is the less:

Provided further that in the case of a person, other than a company, being resident in Bangladesh bringing income accruing and arising outside Bangladesh into Bangladesh through official channels, income tax shall be charged at the rate of thirty *per cent* of such income or at the rate applicable to his total income including such income, whichever is more beneficial to him.

**Explanation.-** The expression “taxable income”, as used in this paragraph, means the taxable income as defined in section 2(63) of the Income Tax Ordinance, 1984 (XXXVI of 1984).

**B.** In the case of every company and local authority and in every case in which under the provisions of the Income Tax Ordinance, 1984 (XXXVI of 1984), income tax is to be charged at the maximum rate-

Rates.

- (i) On the whole of the total income excluding the amount representing income from dividends from a company having its registered office in Bangladesh:
  - (a) in the case of every industrial company being a publicly traded company, *45 per cent* of such income.
  - (b) in the case of every industrial company not being a publicly traded company, *50 per cent* of such income.
  - (c) in the case of all other companies including banks, financial institutions and local authorities, *60 per cent* of such income.
  - (d) in the case of a person not being a company who is not resident in Bangladesh, *30 per cent* of such income:

Provided that a rebate at the rate of *10 per cent* of the tax shall be allowed to a company registered in Bangladesh under the Companies Act, 1913 (VII of 1913), on so much of its income, profits and gains accruing or arising outside Bangladesh to which section 9(4) of this Ordinance does not apply as are brought by it into Bangladesh:

Provided further that a company registered in Bangladesh under the Companies Act, 1913 (VII of 1913), and engaged in the production of goods shall be allowed rebate on income tax payable by it at the following rates in the manner specified hereunder:-

Amount.

- (a) where the production in volume of the relevant year exceeds *15 per cent* but does not exceed *25 per cent* of the production in volume of the preceding year; *2.5 per cent* of the income tax attributable to such income.
- (b) where the production in volume of the relevant year exceeds *25 per cent* of the production in volume of the preceding year; *5 per cent* of the income tax attributable to such income.

- (ii) On the amount representing 15 per cent. income from dividends declared and paid by a company registered in Bangladesh under the Companies Act, 1913 (VII of 1913), or a body corporate formed in pursuance of an Act of Parliament in respect of the share capital issued, subscribed and paid after the 14th day of August, 1947,

**Explanation 1.**- The expression "industrial company" means a company which is mainly engaged-

- (i) in the manufacture or processing of goods,
- (ii) in the manufacture of plants, machinery, tools and implements or accessories of all descriptions,
- (iii) in the construction of vessels, or in the manufacture of vehicles,
- (iv) in the exploration and extraction of gas, oil or any other minerals:

Provided that the income, profits and gains of the industrial company attributable to one or more of the undertakings mentioned above and included in its total income of the income year is not less than two-thirds of such total income.

**Explanation 2.**- The term "publicly traded company", as used in this paragraph, means a public limited company which fulfils the following conditions:-

- (a) it is an industrial company;
- (b) the paid-up capital of the company is not less than taka 20 lakh;
- (c) at least 50% of the paid-up capital of the company as at the end of the accounting year is subscribed by the shareholders other than the Directors and sponsors of the company;
- (d) no share of the company has been purchased in *benami* by the Directors and sponsors of the company;
- (e) average ownership of shares of the company is at least 1 for each taka 20,000 of the paid-up capital;

- (f) at least 10% dividend has been declared and distributed to the shareholders of the company out of the profits of the accounting year for which assessment is to be made; and
- (g) the shares of the company are listed in a Stock Exchange before the end of the accounting year for which assessment is to be made.

**C.** In the case of every registered firm, the income tax shall be charged at the following rates:-

|                                                 | Rate. |
|-------------------------------------------------|-------|
| (1) On the first taka 30,000 of total income .. | Nil   |
| (2) On the next taka 30,000 of total income ..  | 10%   |
| (3) On the next taka 70,000 of total income ..  | 15%   |
| (4) On the next taka 70,000 of total income ..  | 20%   |
| (5) On the balance of total income .. .         | 25% : |

Provided that income tax shall not be payable by a registered firm in respect of the income, profits and gains derived by it from the exercise of a profession if such income, profits and gains depend wholly or mainly on the personal qualifications of its partners who are prevented by any law for the time being in force or by convention or rules or regulations of the professional association, society or similar body of which they are members to constitute themselves into a corporate body with a limited liability which can be registered as a company under the Companies Act, 1913 (VII of 1913), unless such profession consists wholly or mainly in the making of contracts on behalf of other persons or the giving to other persons of advice of a commercial nature in connection with the making of contracts.

**Explanation.-** The term "registered firm", as used in this paragraph, means a firm registered under section 111 of the Income Tax Ordinance, 1984 (XXXVI of 1984).