

THE FINANCE ACT, 1975

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THE FINANCE ACT, 1975

ACT NO. III OF 1975

[30th June, 1975]

An Act to give effect to the financial proposals of the Government and to amend certain laws.

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Government and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

Short title and commencement

1. (1) This Act may be called the Finance Act, 1975.

(2) Subject to the Provisional Collection of Taxes Act, 1931 (XVI of 1931), and the declaration made thereunder, this Act shall, except as otherwise provided, come into force on the 1st day of July, 1975.

Amendment of Act XI of 1922

2. The following amendments shall be made in the Income-tax Act, 1922 (XI of 1922), namely:-

(1) throughout the Act,-

(a) *for* the words “Commissioner of Income-tax” and “Commissioners of Income-tax” wherever occurring, the words “Commissioner of Taxes” and “Commissioners of Taxes” shall respectively be *substituted*;

(b) *for* the words “Assistant Commissioner”, “Assistant Commissioner of Income-tax” and “Assistant Commissioners of Income-tax”, wherever occurring, the words “Joint Commissioner”, “Joint Commissioner of Taxes” and “Joint Commissioners of Taxes” shall respectively be *substituted*;

(c) *for* the words “an Income-tax Officer”, “Income-tax Officer” and “Income-tax Officers” wherever occurring, the words “a Deputy Commissioner of Taxes”, “Deputy Commissioner of Taxes” and “Deputy Commissioners of Taxes” shall respectively be *substituted*;

- (d) *for* the words “Assistant Income-tax Officer” and “Assistant Income-tax Officers” wherever occurring, the words “Extra Assistant Commissioner of Taxes” and “Extra Assistant Commissioners of Taxes” shall respectively be *substituted*; and
- (e) *for* the words “Inspector of Income-tax” and “Inspectors of Income-tax” wherever occurring, the words “Inspector of Taxes” and “Inspectors of Taxes” shall respectively be *substituted*;

(2) in section 2,-

- (a) *for* clause (3) the following shall be *substituted*, namely:-

“(3) “Appellate Joint Commissioner” means a person appointed to be an Appellate Joint Commissioner of Taxes under section 5;”;

- (b) *for* clause (3A) the following shall be *substituted*, namely:-

“(3A) “Assistant Commissioner of Taxes” means a person appointed to be an Assistant Commissioner of Taxes under section 5;”;

- (c) *after* clause (5B) the following new clause (5BB) shall be *inserted*, namely:-

“(5BB) “Deputy Commissioner of Taxes” means a person appointed to be a Deputy Commissioner of Taxes under section 5 and includes a person appointed to be a Special Officer, an Assistant Commissioner of Taxes, an Extra Assistant Commissioner of Taxes and an Examining Officer;”;

- (d) *after* clause (6AAA), the following new clause (6AAAA) shall be *inserted*, namely:-

“(6AAAA) “Extra Assistant Commissioner of Taxes” means a person appointed to be an Extra Assistant Commissioner of Taxes under section 5;”;

- (e) *for* clause (6D) the following shall be *substituted*, namely:-

“(6D) “Inspecting Joint Commissioner” means a person appointed to be an Inspecting Joint Commissioner of Taxes under section 5;”;

(f) clause (7) shall be *omitted*;

(3) in section 4, in sub-section (3),-

(a) clause (vii) shall be *omitted*;

(b) in clause (xii), in sub-clause (e), *for* the full-stop at the end a semi-colon shall be *substituted*; and

(c) *after* sub-clause (e), amended as aforesaid, the following new sub-clause (f) shall be *inserted*, namely:-

“(f) in respect of a building the erection of which is begun and completed at any time between the first day of July, 1975 and the thirtieth day of June, 1980 (both days inclusive) and the building is intended to be, and is actually, used for residential purposes only, for a period of five years from the date of such completion, subject to the following limits, namely:-

- | | | |
|------|---|--|
| (i) | in a case where annual value of such building does not exceed eight thousand and four hundred Taka. | .. The whole of such value; |
| (ii) | in a case where annual value of such building exceeds eight thousand and four hundred Taka. | .. Eight thousand and four hundred Taka: |

Provided that where an assessee claims exemption in respect of more than one such building the exemption under this sub-clause shall be restricted to such portion of the aggregate annual value of such building as does not exceed eight thousand and four hundred Taka.”;

(4) in section 5,-

(a) *for* sub-section (1) the following shall be *substituted*, namely:-

“(1) There shall be the following classes of income-tax authorities for the purposes of this Act, namely:-

- (a) the National Board of Revenue,
- (b) Directors of Inspection,

- (c) Commissioners of Taxes,
 - (d) Joint Commissioners of Taxes who may be either Appellate Joint Commissioners of Taxes or Inspecting Joint Commissioners of Taxes,
 - (e) Special Officers,
 - (f) Deputy Commissioners of Taxes,
 - (g) Assistant Commissioners of Taxes,
 - (h) Extra Assistant Commissioners of Taxes,
 - (i) Tax Recovery Officers,
 - (j) Examining Officers, and
 - (k) Inspectors of Taxes.”;
- (b) *after* sub-section (8), the following new sub-section (9) shall be *added*, namely:-

“(9) References in any Act, Ordinance, regulation, rule, order, bye-law, deed, document or any other instrument of whatever nature to Commissioners of Income-tax, Assistant Commissioners of Income-tax, Income-tax Officers, Assistant Income-tax Officers and Inspectors of Income-tax shall, with their grammatical variations, except where the context otherwise requires, be construed as references respectively to Commissioners of Taxes, Joint Commissioners of Taxes, Deputy Commissioners of Taxes, Extra Assistant Commissioners of Taxes and Inspectors of Taxes; and any such Act, Ordinance, Regulation, Rule, Order, bye-law, deed, document or any other instrument of whatever nature shall have effect accordingly.”;

- (5) in section 5A, for sub-section (3) the following sub-section shall be *substituted*, namely:-

“(3) A judicial member shall be a person who has exercised the powers of a District Judge or who possesses such qualifications as are normally required for appointment to the post of District Judge; and an accountant member shall be a person who has, for a period of not less than six years, practised professionally as a Chartered Accountant within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973), or who has served as a Joint Commissioner of Taxes for at least three years.

Explanation. For the purposes of this sub-section-

- (a) period of practice as Chartered Accountant shall include any period of practice as Chartered Accountant within the meaning of the Chartered Accountants Ordinance, 1961 (Ord. X of 1961), or as registered Accountant enrolled on the register of accountants under the Auditor's Certificate Rules, 1950; and
 - (b) period of service as Joint Commissioner of Taxes shall include any period of service as Assistant Commissioner of Income-tax.”;
- (6) in section 10, in sub-section (5), in clause (b), in the third proviso, *for* the word “forty” the word “sixty” shall be *substituted*;
- (7) in section 12,-
- (a) in sub-section (3), *for* the full-stop at the end a colon shall be *substituted* and thereafter the following proviso shall be *added*, namely:-

“Provided that the second proviso to clause (vii) of sub-section (2) of section 10 shall also be applicable for determination of any profits where the value for which the machinery or plant is sold, transferred or compulsorily acquired exceeds the amount of the written down value of such machinery or plant.”; and
 - (b) in sub-section (4), *for* the full-stop at the end a colon shall be *substituted* and thereafter the following proviso shall be *added*, namely:-

“Provided that the second proviso to clause (vii) of sub-section (2) of section 10 shall also be applicable for determination of any profits where the value for which the building is sold, transferred or compulsorily acquired exceeds the amount of the written down value of such building.”;
- (8) in section 12 B,-
- (a) in sub-section (2), *after* the first proviso, the following new proviso shall be *inserted* and shall be deemed to have been so *inserted* with effect from the first day of July, 1974, namely:-

“Provided further that without prejudice to the provisions of the first proviso if in the opinion of the Deputy Commissioner of Taxes the fair market value of a capital asset transferred by an assessee as on the date of the transfer exceeds the full value of the consideration declared by the assessee in respect of the transfer of such capital asset by an amount of not less than fifteen per cent of the value so declared, the full value of the consideration for such capital asset shall, with the previous approval of the Inspecting Joint Commissioner of Taxes, be taken to be its fair market value on the date of its transfer.”; and

- (b) *after* sub-section (4), the following new sub-section (5) shall be added and shall be deemed to have been so added with effect from the first day of July, 1974, namely:-

“(5) Notwithstanding anything contained in sub-section (1) where a capital gain arises from the sale, exchange or transfer of a capital asset being buildings or lands appurtenant thereto the income of which is chargeable under the head “Income from property”, which in the two years immediately preceding the date on which the sale, exchange or transfer took place, was being used by the assessee or a parent of his mainly for the purposes of his own or the parent’s own residence, and the assessee has within a period of one year before or after that date purchased, or has within a period of two years after that date constructed, a house property for the purposes of his own residence, then, instead of the capital gain being charged to tax as income of the previous year in which the sale, exchange or transfer took place, it shall, if the assessee so elects in writing before the assessment is made, be dealt with in accordance with the following provisions of this sub-section, that is to say,-

- (a) if the amount of the capital gain is greater than the cost of the new asset,-
- (i) the difference between the amount of the capital gain and the cost of the new asset shall be charged under this section as income of the previous year, and

- (ii) for the purpose of computing in respect of the new asset any capital gain arising from its sale, exchange or transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be nil; or
- (b) if the amount of the capital gain is equal to or less than the cost of the new asset,-
 - (i) the capital gain shall not be charged under this section, and
 - (ii) for the purpose of computing in respect of the new asset any capital gain arising from its sale, exchange or transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be reduced by the amount of the capital gain:

Provided that where in respect of the purchase or construction of a new capital asset consisting of building for the purpose of assessee's own residence and the assessee satisfies the Deputy Commissioner of Taxes that despite the exercise of due diligence it has not been possible to make the purchase or construction within the period specified in this subsection, the Deputy Commissioner of Taxes may, with the prior approval of the Inspecting Joint Commissioner of Taxes, extend the said period to such date as he considers reasonable.”;

(9) in section 14A,-

- (a) in sub-section (1), for the figure “1978” the figure “1974” shall be *substituted*;
- (b) after sub-section (2), the following new sub-sections (2A) and (2B) shall be *inserted*, namely:-

“(2A) Subject to the provisions of this Act, the income, profits and gains of an industrial undertaking set-up in taxable territories between the first day of July, 1974 and the thirtieth day of June, 1976 (both dates inclusive), shall be exempted from the income-tax and super tax payable under this Act for a period of five years beginning with the month in which the commercial production of the undertaking is commenced:

Provided that in the case of an industrial undertaking set-up in such areas as may be specified in this behalf by the National Board of Revenue, by notification in the *official Gazette*, this sub-section shall have effect as if for the words “five years” the words “seven years” were *substituted*.

(2B) The exemption under sub-section (2A) shall apply to an industrial undertaking which fulfils the following conditions, namely:-

- (a) that it is owned and managed by a company formed and registered under the Companies Act, 1913 (VII of 1913), or a body corporate formed in pursuance of an Act of Parliament, having-
 - (i) its registered office or head office in the taxable territories; and
 - (ii) except in the case of a company or other body corporate under the control of Government or of a corporation the administration and management of which is subject to instruction, direction or control of Government, a subscribed and paid-up capital of not less than one lakh Taka and not more than three crores Taka;
- (b) that it belongs to the class of industries specified by the National Board of Revenue for this purpose by notification in the *official Gazette*;
- (c) that as respects the industrial undertaking set-up in the areas notified by the National Board of Revenue in this behalf in the *official Gazette* not less than sixty percent of the income, profits and gains exempted under this sub-section are reinvested in the industrial undertaking from which such income, profits and gains have been derived or are invested in the purchase of bond issued by the Government:

Provided that in the case of an industrial undertaking set-up in areas other than the areas so notified, this clause shall have effect as if for the words “sixty percent” the words “thirty per cent” were *substituted*;

- (d) that an application for exemption in the prescribed form and verified in the prescribed manner has been made to the National Board of Revenue within four months of the month in which the undertaking goes into commercial production:

Provided that in respect of any undertaking which was set up and the commercial production of which commenced on any day between the first day of July, 1974 and the thirtieth day of June, 1975, the period of four months shall be reckoned from the first day of July, 1975;

- (e) that it is approved by the National Board of Revenue for purposes of this sub-section :

Provided that an industrial undertaking approved under this clause may, not later than six months from the date of approval, apply in writing to the National Board of Revenue for the cancellation of such approval, and the National Board of Revenue may pass such orders thereon as it may deem fit:

Provided further that where any exemption has been allowed under this sub-section and it is subsequently discovered by the Deputy Commissioner of Taxes that any one or more of the condition specified in this sub-section was or were not fulfilled, as the case may be, the exemption originally allowed shall be deemed to have been wrongly allowed and the Deputy Commissioner of Taxes may, notwithstanding anything contained in this Act, re-compute the total income of the assessee for the relevant previous year and the provisions of section 34 shall, so far as may be, apply thereto, the period of four years specified under sub-section (2) of that section being reckoned from the end of the assessment year relevant to the previous year in which the infringement was discovered.”;

- (10) in section 15, in sub-section (3), *after* the proviso, the following new proviso shall be *added*, namely:-

“Provided further that as respects any assessment year beginning on the first day of July, 1976, the provisions of this section shall have effect as if *for* the words “thirty per cent” the words “twenty-five per cent” were *substituted*.”;

(11) in section 15E,-

- (a) *for* the words “three hundred” the words “five hundred”, and *for* the words “nine hundred” the words “fifteen hundred” shall be *substituted*; and
- (b) in the second proviso, *for* the words “three hundred” the words “five hundred”, *for* the words “six hundred” the words “one thousand” and *for* the words “nine hundred” the words “fifteen hundred” shall be *substituted*;

(12) in section 15H, *for* the full-stop at the end a colon shall be *substituted* and thereafter the following proviso shall be added, namely:-

“Provided that in the case of an assessee, being married individual, the provision shall have effect as if *for* the words “two thousand Taka” the words “three thousand Taka” were *substituted*.”;

(13) in section 17, in sub-section (5), in clause (b),-

- (a) the words, figures, brackets and letter “or any capital gains to which the first proviso to sub-section (1) of section 12B applies” shall be *omitted*; and
- (b) in sub-clause (ii), *for* paragraph (2) the following shall be *substituted*, namely:-

“(2) the amount of the said income as reduced by-

- (i) an amount equal to thirty per cent. of the amount of the said income which has arisen on account of disposal by the assessee of his capital asset or assets after one year but before three years from the date of its or their acquisition; or
- (ii) an amount equal to fifty per cent. of the amount of the said income which has arisen on account of disposal by the assessee of his capital asset or assets after three years but before fifteen years from the date of its or their acquisition; or
- (iii) an amount equal to seventy per cent. of the amount of the said income which has arisen on account of disposal by the assessee of his capital asset or assets after fifteen years from the date of its or their acquisition:

Provided that in the determination of the year under this paragraph, part of a year less than six months shall be disregarded and part of a year equal to or exceeding six months shall be regarded as one year.”;

(14) in section 18A,-

- (a) in sub-section (1), *for* the words “twelve thousand Taka” the words “twenty thousand Taka” shall be *substituted*; and
- (b) in sub-section (3), *for* the words “twelve thousand Taka” the words “twenty thousand Taka” shall be *substituted*;

(15) in section 23A, in sub-section (2), in clause (b), in the proviso, *for* the word “two” the word “four” shall be *substituted*;

(16) in section 30, in sub-section (1), *after* the first proviso, the following new proviso shall be *inserted*, namely:-

“Provided further that the National Board of Revenue may, upon an application made in this behalf, in any case modify or waive the requirement of the first proviso:”;

(17) in section 31, for sub-section (4) the following shall be *substituted*, namely:-

“(4) The Appellate Joint Commissioner may,-

- (a) in the case of an order of assessment-
 - (i) reduce, enhance or annul the assessment; or
 - (ii) set aside the assessment and direct the Deputy Commissioner of Taxes to make a fresh assessment after making such further inquiry as the Deputy Commissioner of Taxes thinks fit or the Appellate Joint Commissioner may direct, and the Deputy Commissioner of Taxes shall thereupon proceed to make such fresh assessment and determine where necessary the amount of tax payable on the basis of such fresh assessment; or

- (b) in the case of an order cancelling the registration of a firm under sub-section (4) of section 23 or sub-section (4) of section 26A or refusing to register a firm under sub-section (4) of section 23 or section 26A cancel such order and direct the Deputy Commissioner of Taxes to register the firm or set aside such order and direct the Deputy Commissioner of Taxes to make such further inquiry as he thinks fit or as the Appellate Joint Commissioner may direct, and the Deputy Commissioner of Taxes shall thereupon proceed to make such inquiry and shall thereafter make a fresh order registering the firm or refusing to register it or cancelling its registration, as he may think fit; or
- (c) in the cases of an order under sub-section (2) of section 25 or sub-section (1) of section 23A or sub-section (2) of section 26 or section 48, 49, or 49F, cancel or vary such order; or
- (d) in the case of an order under sub-section (1) of section 25A, cancel such order and either direct the Deputy Commissioner of Taxes to make further inquiry and pass a fresh order or to make an assessment in the manner laid down in sub-section (2) of section 25A; or
- (e) in the case of an order under section 28 or sub-section (6) of section 44E or sub-section (5) of section 44F or sub-section (1) of section 46, cancel such order or vary it so as either to enhance or reduce the penalty or set aside such order and direct the Deputy Commissioner of Taxes to make fresh order after making such inquiry as the Deputy Commissioner of Taxes thinks fit or as the Appellate Joint Commissioner may direct, and the Deputy Commissioner of Taxes shall thereupon proceed to make such fresh order and determine the amount of penalty on the basis of such order; or
- (f) in the case of an appeal against a computation of loss under section 24, vary such computation; or
- (g) in the case of an appeal under sub-section (1A) of section 30 decide that the person is or is not liable to make the deduction and in the latter case direct the refund of the sum paid under sub-section (6) of section 18:

Provided that the Appellate Joint Commissioner shall not enhance an assessment or a penalty unless the appellant has had a reasonable opportunity of showing cause against such enhancement:

Provided further that at the hearing of any appeal against an order of a Deputy Commissioner of Taxes, the Deputy Commissioner of Taxes shall have the right to be heard either in person or by a representative.”;

- (18) in section 33, in sub-section (1), in the proviso, *for* the full-stop at the end a colon shall be *substituted* and thereafter the following new proviso shall be *added*, namely:-

“Provided further that the National Board of Revenue may, upon an application made in this behalf, in any case modify or waive the requirement of the first proviso.”;

- (19) in section 33A, in sub-section (2A), in clause (b) *for* the full-stop at the end a colon shall be *substituted* and thereafter the following new proviso shall be *added*, namely:-

“Provided that the National Board of Revenue may, upon an application made in this behalf, in any case modify or waive the requirement of clauses (a) and (b).”;

- (20) in section 34, in sub-section (2), in the proviso, *for* clause (iv) the following shall be *substituted*, namely:-

“(iv) notwithstanding anything contained in this section limiting the time within which any action may be taken or any order, assessment or re-assessment may be made, assessment or re-assessment, as the case may be, to be made on the assessee or any person in consequence of, or to give effect to, any finding or direction in an order under section 31, section 33, section 33A, section 34A, section 66 or section 66A or, in the case of a firm, an assessment to be made on a partner of a firm in consequence of an assessment made on the firm, may be made-

- (a) in the case of any such order made before the 1st day of July, 1975, within four years from that date; and
- (b) in any other case, within four years from the end of the year in which such order was made.”;

(21) in section 46, sub-sections (8), (9) and (10) shall be *omitted*.

3. The amendments set out in the First Schedule to this Act shall be made in the Tariff Act, 1934 (XXXII of 1934). Amendment of Act XXXII of 1934

4. The following amendments shall be made in the Excises and Salt Act, 1944 (I of 1944), namely:- Amendment of Act I of 1944

(1) throughout the Act, *for* the words “Collector of Central Excise”, “Deputy Collector of Central Excise”, “Assistant Collector of Central Excise”, “Superintendent of Central Excise” and “National Excise Officer” wherever occurring, the words “Collector of Excise”, “Deputy Collector of Excise”, “Assistant Collector of Excise”, “Superintendent of Excise” and “Excise Officer” shall respectively be *substituted*; and

(2) the First Schedule to that Act shall be amended in the manner set out in the Second Schedule to this Act.

5. The following amendments shall be made in the Estate Duty Act, 1950 (X of 1950), namely:- Amendment of Act X of 1950

(1) in section 67, in sub-section (3), *for* the words “Income-tax Officer” the words “Deputy Commissioner of Taxes” shall be *substituted* ; and

(2) in section 74B, in sub-section (1), *for* the words “Income-tax Officer” the words “Deputy Commissioner of Taxes” shall be *substituted*.

6. The Finance Act, 1950 (E.B. Act XVI of 1950), shall- Amendment in its past operation and repeal, E.B. Act XVI of 1950

(1) in its operation during the period commencing the first day of July, 1973 and ending the thirtieth day of June, 1974, have effect and shall be deemed to have had effect as if in section 3, in sub-section (1), in clause (d), *for* sub-clause (iii) the following were *substituted*, namely:-

“(iii) (a) clearing, forwarding agents registered at a customs port – 2,000;

(b) clearing, forwarding agents registered at a land customs station or a customs-airport – 1,000”; and

(2) on the first day of July, 1975, stand repealed.

Amendment of
Act III of 1951

7. The following amendments shall be made in the Sales Tax Act, 1951 (III of 1951), namely:-

(1) throughout the Act, unless otherwise specified,-

(a) *for* the words “Commissioner of Sales Tax” wherever occurring the words “Commissioner of Taxes” shall be *substituted*;

(b) *for* the words “Assistant Commissioner” and “Assistant Commissioner of Sales Tax” wherever occurring the words “Joint Commissioner” and “Joint Commissioner of Taxes” shall respectively be *substituted*; and

(c) *for* the words “Sales Tax Officer” wherever occurring the words “Deputy Commissioner of Taxes” shall be *substituted*;

(2) in section 2,-

(a) *for* clause (1), the following shall be *substituted*, namely:-

“(1) “Appellate Joint Commissioner” means a person exercising the powers of an Appellate Joint Commissioner of Taxes under section 5;”;

(b) *after* clause (4), the following new clause (4A) shall be *inserted*, namely:-

“(4A) “Deputy Commissioner of Taxes” means a person exercising the powers of a Deputy Commissioner of Taxes under section 5;”;

(c) *for* clause (7), the following shall be *substituted*, namely:-

“(7) “Inspecting Joint Commissioner” means a person exercising the powers of an Inspecting Joint Commissioner of Taxes under section 5;”;

(d) clause (10) shall be *omitted*;

(e) clause (17) shall be *omitted*;

(3) in section 3,-

- (a) in sub-section (1), clauses (c) and (e) shall be *omitted*;
- (b) in sub-section (3), clauses (iii) and (iv) shall be *omitted*;
- (c) in sub-section (4), the comma, brackets, and letter “, (c)” shall be *omitted*;
- (d) *for* sub-section (7), the following shall be *substituted*, namely:-

“(7) If any person other than the manufacturer or producer or importer or exporter hereinbefore mentioned acquires from or against any one of these persons the right to sell any goods as a result of the operation of law, the sale of such goods by him shall be taxable as if made by the manufacturer or producer or importer or exporter, as the case may be, and the person so selling shall be liable to pay the tax.”;

(4) *for* section 4, the following shall be *substituted*, namely:-

“4. Tax not payable on certain transactions.-

Notwithstanding anything contained in section 3, the tax shall not be payable on goods purchased in taxable territories or on goods imported into the taxable territories by the manufacturer to whom a licence is issued under the proviso to sub-section (2) of section 8.

4A. Tax credit. —There shall be given credit of the amount of tax paid at the time of purchase or import of goods by the licensed manufacturer or producer or importer, as the case may be, under the provisions of section 3 if such goods are partly manufactured goods and are actually used in the manufacture or production of goods which are subject to tax.”;

(5) in section 5,-

- (a) *for* sub-section (1) , the following shall be *substituted*, namely:-

“(1) Every Commissioner of Taxes, Appellate Joint Commissioner of Taxes, Inspecting Joint Commissioner of Taxes, Deputy Commissioner of Taxes and Tax Recovery Officer under the Income- tax Act, 1922 (XI of 1922) shall exercise the powers of a Commissioner

of Taxes, Appellate Joint Commissioner of Taxes, Inspecting Joint Commissioner of Taxes, Deputy Commissioner of Taxes and Tax Recovery Officer, respectively, under this Act and in relation to the same area and cases as he exercises under the Income-tax Act, 1922.”;

- (b) *after* sub-section (3), the following new sub-section (4) shall be *added*, namely:-

“(4) References in any Act, Ordinance, regulation, rule, order, bye-law, deed, document or any other instrument of whatever nature to Commissioner of Sales Tax, Assistant Commissioner of Sales Tax and Sales Tax Officer shall, with their grammatical variations, except where the context otherwise requires, be construed as references respectively to Commissioner of Taxes, Joint Commissioner of Taxes and Deputy Commissioner of Taxes; and any such Act, Ordinance, Regulation, Rule, Order, bye-law, deed, document or any other instrument of whatever nature shall have effect accordingly.”;

- (6) in section 8, in sub-section (1), *for* the word “five” the word “fifty” shall be *substituted*;
- (7) section 9 shall be *omitted*;
- (8) in section 10, in sub-section (1), the words “and every licensed whole-seller” shall be *omitted*;
- (9) in section 12, *for* sub-section (1), the following shall be *substituted*, namely:-

“(1) Subject to the provisions of sub-section (4) of section 3, every person liable to pay tax under clause (a) and clause (aa) of sub-section (1) of section 3 shall, in such manner as may be prescribed, pay the tax leviable under this Act before the end of the calendar month next succeeding the month in which the goods in respect of which tax is payable were sold.”;

- (10) in section 19, in sub-section (1), the words “and every licensed whole-seller” shall be *omitted*;

- (11) in section 20, the words “or by a licensed wholesaler” shall be *omitted*;
- (12) in section 21, the words “not licensed under section 9” shall be *omitted*;
- (13) in section 23, in sub-section (1A), the words “or licensed whole-seller” shall be *omitted*;
- (14) in section 27, for sub-section (1) the following shall be *substituted*, namely:-
- “(1) Where partly manufactured goods are purchased by a manufacturer or producer not licensed under section 8 and tax has been paid on the goods on importation or on any previous sale refund or credit of the tax so paid shall not be made to such manufacturer or producer.”;
- (15) in section 29, the words “or a licensed whole-seller” shall be *omitted*;
- (16) in section 31, the words “or a licensed whole-seller” shall be *omitted*.

8. The following amendments shall be made in the Gift-tax Act, 1963 (XIV of 1963), namely:-

Amendment of
Act XIV of
1963

- (1) throughout the Act, unless otherwise specified,-
- (a) for the words “Commissioner of Gift-tax” and “Commissioners of Gift-tax” wherever occurring the words “Commissioner of Taxes” and “Commissioners of Taxes” shall respectively be *substituted*;
- (b) for the words “Assistant Commissioner”, “Assistant Commissioners”, “Assistant Commissioner of Gift-tax” and “Assistant Commissioners of Gift-tax” wherever occurring the words “Joint Commissioner”, “Joint Commissioners”, “Joint Commissioner of Taxes” and “Joint Commissioners of Taxes” shall respectively be *substituted*; and
- (c) for the words “Gift-tax Officer” and “Gift-tax Officers” wherever occurring the words “Deputy Commissioner of Taxes” and “Deputy Commissioners of Taxes” shall respectively be *substituted*;

(2) in section 2,-

(a) *for* clause (i) the following shall be *substituted*, namely:-

“(i) “Appellate Joint Commissioner” means a person empowered to exercise the powers of an Appellate Joint Commissioner of Taxes under section 8;”;

(b) *after* clause (vii), the following new clause (viiia) shall be *inserted*, namely:-

“(viiia) “Deputy Commissioner of Taxes” means a person empowered to exercise the powers of a Deputy Commissioner of Taxes under section 7;”;

(c) clause (xiii) shall be *omitted*;

(d) clause (xv) shall be *omitted*;

(e) *for* clause (xvi) the following shall be *substituted*, namely:-

“(xvi) “Inspecting Joint Commissioner of Taxes” means a person empowered to exercise the functions of an Inspecting Joint Commissioner of Taxes under section 10;”;

(3) in section 7, *for* sub-section (1) the following shall be *substituted*, namely:-

“Deputy Commissioner of Taxes and Tax Recovery Officers.- (1) Every Deputy Commissioner of Taxes and Tax Recovery Officer having jurisdiction or exercising powers as such under the Income-tax Act, 1922 (XI of 1922), in respect of any person shall perform the functions of a Deputy Commissioner of Taxes or, as the case may be, a Tax Recovery Officer under this Act in respect of that person.

Explanation. For the purposes of this sub-section, “Deputy Commissioner of Taxes and Tax Recovery Officer having jurisdiction”, in relation to a person who has no income assessable to income-tax under the Income-tax Act, means the Deputy Commissioner of Taxes or, as the case may be, the Tax Recovery Officer of the area in which that person resides.”;

- (4) in Chapter III, *after* section 12, the following new section 12A shall be *added*, namely:-

“12A. Reference in respect of Gift-tax Authorities.- References in any Act, Ordinance, regulation, rule, order, bye-law, deed, document or any other instrument of whatever nature to Commissioner of Gift-tax, Assistant Commissioner of Gift-tax and Gift-tax Officer shall, with grammatical variations, except where the context otherwise requires, be construed as references respectively to Commissioner of Taxes, Joint Commissioner of Taxes and Deputy Commissioner of Taxes; and any such Act, Ordinance, Regulation, rule, Order, bye-law, deed, document or any other instrument of whatever nature shall have effect accordingly.”;

- (5) in section 33, *for* the words “and to Gift-tax Officer and Commissioner of Gift-tax instead of to Income-tax Officer and Commissioner of Income-tax” the words “and to Deputy Commissioner of Taxes and Commissioner of Taxes under this Act instead of to Deputy Commissioner of Taxes and Commissioner of Taxes under that Act” shall be *substituted*.

9. The following amendments shall be made in the Wealth-tax Act, 1963 (XV of 1963), namely:-

Amendment of Act XV of 1963

- (1) throughout the Act, unless otherwise specified,-
- (a) *for* the words “Commissioner of Wealth-tax” and “Commissioners of Wealth-tax” wherever occurring the words “Commissioner of Taxes” and “Commissioners of Taxes” shall respectively be *substituted*;
 - (b) *for* the words “Assistant Commissioner”, “Assistant Commissioners”, “Assistant Commissioner of Wealth-tax” and “Assistant Commissioners of Wealth-tax” wherever occurring the words “Joint Commissioner”, “Joint Commissioners”, “Joint Commissioner of Taxes” and “Joint Commissioners of Taxes” shall respectively be *substituted*; and
 - (c) *for* the words “Wealth-tax Officer” and “Wealth-tax Officers” wherever occurring the words “Deputy Commissioner of Taxes” and “Deputy Commissioners of Taxes” shall respectively be *substituted*;

(2) in section 2,-

(a) *for* clause (a) the following shall be *substituted*, namely:-

“(a) “Appellate Joint Commissioner” means a person empowered to exercise the powers of an Appellate Joint Commissioner of Taxes under section 9;”;

(b) *after* clause (h) the following new clause (hh) shall be *added*, namely:-

“(hh) “Deputy Commissioner of Taxes” means a person empowered to exercise the powers of the Deputy Commissioner of Taxes under section 8;”;

(c) clause (k) shall be *omitted*;

(d) *for* clause (1) the following shall be *substituted*, namely:-

“(1) “Inspecting Joint Commissioner of Taxes” means a person empowered to exercise the functions of an Inspecting Joint Commissioner of Taxes under section 11;”;

(e) clause (r) shall be *omitted*;

(3) in section 8, for sub-section (1) the following shall be *substituted*, namely:-

“(1) Every Deputy Commissioner of Taxes and Tax Recovery Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual, Hindu-undivided family or company shall perform the functions of a Deputy Commissioner of Taxes or, as the case may be, a Tax Recovery Officer under this Act in respect of such individual, Hindu-undivided family or company.

Explanation. For the purpose of this sub-section, “Deputy Commissioner of Taxes and Tax Recovery Officer having jurisdiction”, in relation to an individual or Hindu-undivided family who has no income assessable to income-tax under the Income-tax Act, means the Deputy Commissioner of Taxes or, as the case may be, the Tax Recovery Officer of the area in which that individual or Hindu-undivided family resides.”;

- (4) in Chapter III, *after* section 13, the following new section 13A shall be *added*, namely:-

“13A. Reference in respect of Wealth-tax authorities.- References in any Act, Ordinance, regulation, rule, order, bye-law, deed, document or any other instrument of whatever nature to Commissioner of Wealth-tax, Assistant Commissioner of Wealth-tax and Wealth-tax Officer shall, with grammatical variations, except where the context otherwise requires, be construed as references respectively to Commissioner of Taxes, Joint Commissioner of Taxes and Deputy Commissioner of Taxes; and any such Act, Ordinance, Regulation, Rule, Order, bye-law, deed, document or any other instrument of whatever nature shall have effect accordingly.”;

- (5) in section 31A, *for* the words “Income-tax Officer” the words “Deputy Commissioner of Taxes”, and *for* the words “Wealth-tax Officer” the words “Deputy Commissioner of Taxes under this Act” shall respectively be *substituted*;
- (6) in section 32 *for* the words “and to Wealth-tax Officer and Commissioner of Wealth-tax instead of to Income-tax Officer and Commissioner of Income-tax” the words “and to Deputy Commissioner of Taxes and Commissioner of Taxes under this Act instead of to Deputy Commissioner of Taxes and Commissioner of Taxes under that Act” shall be *substituted*;
- (7) for the Schedule the following shall be *substituted*, namely:-

“THE SCHEDULE

(*See* section 3)

RATES OF WEALTH-TAX

1. On the first Taka four lakhs of net wealth or, where an assessee, being a person owning and occupying a house for purposes of his own residence, exercises the option to have the value of such house being excluded from his assets, on the first Taka three lakhs of net wealth. .. Nil.
2. On the next Taka two lakhs of net wealth .. 1%

3. On the next Taka five lakhs of net wealth .. 1½ %
4. On the next Taka five lakhs of net wealth .. 2%
5. On the next Taka five lakhs of net wealth .. 2½ %
6. On the balance of net wealth .. 3%”.

Amendment of
Act XLIV of
1974

10. In the Finance Act, 1974 (XLIV of 1974),-

- (1) sections 14, 15,16, 17,20, 21 and 25 shall be *repealed*;
- (2) in section 26, *for* the words, figures and commas “tax or toll leviable under sections 14, 15, 16, 17, 20, 21 and 22” the words and figure “cess under section 22” shall be *substituted*; and
- (3) in section 27, *for* sub-section (1) the following shall be *substituted*, namely:-

“(1) The Government may, by notification in the *official Gazette*, make rules to provide for the procedure for the assessment, collection and payment of any cess leviable under section 22; and such rules may provide for matters relating to-

- (a) the person by whom the cess shall be payable;
 - (b) the time and manner of such payment;
 - (c) penalty for default or delay in the payment of the cess of an amount not exceeding the amount of the cess; and
 - (d) such other matters as may be necessary for the efficient assessment and collection of the cess.”; and
- (4) the Third Schedule shall be *repealed*.

Income-tax and
Super-tax

11. (1) Subject to the provisions of sub-sections (2), (3), (4) and (5), in making any assessment for the year beginning on the first day of July, 1975,-

- (a) income-tax shall be charged at the rates specified in Part I of the Third Schedule, and

- (b) the rates of super-tax shall, for the purposes of section 55 of the Income-tax Act, 1922 (XI of 1922), be those specified in Part II of the Third Schedule.

(2) In making any assessment for the year beginning on the first day of July, 1975,-

- (a) where the total income of an assessee, not being a company, includes any income chargeable under the head "salaries" or any income chargeable under the head "interest on securities" the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1974 (XLIV of 1974), on his total income the same proportion as the amount of such inclusion bears to his total income; and
- (b) where the total income of a company includes any profits and gains from life insurance business, the super-tax payable by the company shall be reduced by an amount equal to 12.5 per cent of that part of its total income which consists of such inclusion.

(3) In making any assessment for the year beginning on the first day of July, 1975, where the assessee is a co-operative society, the tax shall be payable at the rates specified in paragraph A of Part I, or paragraph B of Part I and paragraph A of Part II of the Third Schedule as if the assessee were a company to which the proviso to sub-paragraph (1) of paragraph A of the said Part II applied, whichever treatment is more beneficial to the assessee:

Provided that in calculating for the purposes of this subsection, the amount of income-tax at the rates specified in paragraph A of Part I of the Third Schedule, no deduction in respect of any allowance or sums referred to in clause (i) of the proviso to the said paragraph shall be made.

- (4) (a) In making any assessment for the year beginning on the first day of July, 1975, where the total income of an assessee, not being a company to which the proviso to sub-paragraph (1) of paragraph A of Part II of the Third Schedule does not apply, includes any profits and gains derived from the export of goods out of Bangladesh,

income-tax and super-tax, if any, payable by him in respect of such profits and gains shall, subject to the provisions of clauses (b) and (c) be reduced by an amount computed in the manner specified hereunder:-

- | | Amount. |
|---|--|
| (i) Where the goods exported abroad had not been manufactured by the assessee who exported them: | 15 per cent. of the income-tax and super-tax, if any, attributable to export sales. |
| (a) and where the export sales during the relevant year exceed the export sales of the preceding year. | <i>Plus</i> an additional 1 per cent. for every increase of 10 per cent. in export sales over those of the preceding year, subject to an overall maximum of 25 per cent. |
| (b) and where the export sales during the relevant year do not exceed the export sales of the preceding year. | <i>Minus</i> 1 per cent. for every decrease of 10 per cent. in export sales over those of the preceding year, subject to an overall minimum of 10 per cent. |
| (ii) Where the goods exported had been manufactured by the assessee who had exported them: | |
| (a) where the export sales do not exceed 10 per cent. of the total sales. | Nil. |
| (b) where the export sales exceed 10 per cent. but do not exceed 20 per cent. of the total sales. | 15 per cent. of the income-tax and super-tax, if any, attributable to export sales. |
| (c) where the export sales exceed 20 per cent. but do not exceed 30 per cent. of the total sales. | 20 per cent. of the income-tax and super-tax, if any, attributable to export sales. |
| (d) where the export sales exceed 30 per cent. of the total sales. | 25 per cent. of the income-tax and super-tax, if any, attributable to export sales: |

Provided that in the case of a registered firm super-tax payable by it under paragraph C of Part II of the Third Schedule shall be reduced under this clause by an amount calculated on the basis of the income-tax payable on its total income under paragraph A of Part I had it been the total income of an unregistered firm;

- (b) Nothing contained in clause (a) shall apply in respect of the following goods or class of goods, namely:-
- (i) tea,
 - (ii) raw jute,
 - (iii) jute manufacture,
 - (iv) such other goods as may be notified by the National Board of Revenue from time to time;
- (c) The National Board of Revenue may make rules providing for the computation of profits and the tax attributable to export sales and for such other matters as may be necessary to give effect to the provisions of this sub-section.

(5) In cases to which section 17 of the Income-tax Act, 1922 (XI of 1922), applies the tax chargeable shall be determined as provided in that section, but with reference to the rates imposed by sub-section (1), and in accordance, where applicable, with the provisions of sub-section (2).

(6) For the purposes of making deduction of tax under section 18 of the Income-tax Act, 1922 (XI of 1922), the rates specified in Part I and Part II of the Third Schedule shall apply as respects the year beginning on the first day of July, 1975, and ending on the thirtieth day of June, 1976.

(7) 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 purposes of income-tax or super-tax, as the case may be, in accordance with provisions of the Income-tax Act, 1922 (XI of 1922); and the expression "public company" means a company-

- (i) in which not less than fifty per cent. of the shares are held by the Government, or
- (ii) whose shares were the subject of dealings in a registered stock exchange in the taxable territories at any time during the previous year and remained listed on the stock exchange till the close of that year.

12. Surcharge under the Income-tax Act, 1922 (XI of 1922), shall be charged as respects any assessment for the year beginning on the first day of July, 1975, at the rates specified in Part III of the Third Schedule to this Act.

Surcharge under the Income-tax Act, 1922 (XI of 1922)

THE FIRST SCHEDULE

(See section 3)

Amendments in the Tariff Act, 1934 (XXXII of 1934)

In the Tariff Act, 1934 (XXXII of 1934), in the First Schedule,-

- (a) against Heading No. 24.02 in column 1, in column 3, against article "B. Cigarettes" in column 2, for the figure and words "300% ad val." the figure and words "400% ad Val." shall be *substituted*;
- (b) against Heading No. 25.17 in column 1, in column 3, against article "B. Other" in column 2, for the word "Free" the figure and words "75% ad val." shall be *substituted*;
- (c) against Heading No. 27.10 in column 1, against articles "E (i) (a) in packs not exceeding one gallon" and "E (i) (b) other" in column 2, for the words and figures "Taka 3.25 per gallon" and "Taka 2.50 per gallon" the figures and words "35% ad val." and "30% ad val." shall respectively be *substituted*; and
- (d) against Heading No. 48.01 in column 1, in column 3, against article "E. Cigarette paper" in column 2, for the figure and words "55% ad val." the figure and words "100% ad val." shall be *substituted*.

THE SECOND SCHEDULE

(See section 4)

Amendments to the First Schedule to the Excises and Salt Act, 1944 (I of 1944)

IN PART I,-

- (1) in section III, in item 6, *for* sub-item (1) in the second column and the entries relating thereto in the third column the following shall be *substituted*, namely:-

- "(1) Aerated waters, Such rate, not exceeding Taka 1.50 per
all sorts .. bottle, as may be fixed by Government
by notification in the *official Gazette*, and
different rates may be fixed with
reference to different conditions and
circumstances.";

(2) in section III, *for* item 8 and the entries relating thereto in the third column the following shall be *substituted*, namely:-

“8. Tobacco-

“Tobacco” means any form of tobacco, whether cured or uncured and whether manufactured or not, and includes the leaf, stalk and stems of the tobacco plant but does not include any part of a tobacco plant while still attached to the earth.

I. Un manufactured tobacco . . . Such rate not exceeding Taka 2.50 per pound as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.

II. Manufactured tobacco-
 (1) Cigars and cheroots . . . Such rate not exceeding Taka 50 per hundred cigars or cheroots as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.

(2) Cigarettes-

“Cigarette” means tobacco finely cut or crushed into small pieces and rolled in, or wrapped with, paper, leaf of any plant or any other wrapping material, by whatever name such product may be called.

(i) Cigarettes manufactured with mechanical aid of any kind-

(a) If the retail price is legibly, prominently and indelibly printed on each packet . . . Such rate not exceeding 80% of the retail price as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.

- (b) If not covered by (a) above. 400 per cent *ad valorem*.
- (ii) Cigarettes manufactured manually, that is, without any mechanical aid whatsoever. Such rate not exceeding Taka 40 per thousand cigarettes as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.
- (3) Smoking mixtures for pipes and cigarettes. ... Taka twelve per lb.”;
- (3) in section IV, against item 9, in the third column for the existing entry the following shall be *substituted*, namely:-
“Taka 203 per Metric Ton”;
- (4) in section IX, in the third column,-
- (a) against item 36, for the words “Taka fifteen per cwt.” the words “such rate not exceeding Taka fifty per cwt. as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances” shall be *substituted*;
- (b) against item 37, for the words “Taka ten per cwt.”, the words “such rate not exceeding Taka thirty per cwt. as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances” shall be *substituted*;
- (5) in section X, in item 41, in the second column, above sub-item (1), the following shall be *inserted*, namely:-
““Man-made Fibres and Yarns” means fibres and yarns of any description made wholly or partly from man-made fibres and yarns.”;
- (6) in section XIV,-
- (a) in item 55, in the second column for sub-item (2) and the entries relating thereto in the third column the following shall be *substituted*, namely:-

“(2) Fluorescent tubes, all sorts-

- (a) If retail price is legibly, prominently and indelibly printed on each tube or its package, cover or container. . . . Such rate not exceeding 50 per cent. of the retail price, as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.
- (b) If not covered by (a) above. . . . 200 per cent. *ad valorem.*”;

- (b) in item 57, in sub-item (1), *for* entry (i) in the second column and the entry relating thereto in the third column the following shall be *substituted*, namely:-

“(i) Radio receivers including transistors-

- (a) If retail price is prominently, indelibly and legibly printed, or unerasably marked on the body of each set. . . . Such rate not exceeding 75 per cent of the retail price as may be fixed by Government by notification in the *official Gazette*, and different rates may be fixed with reference to different conditions and circumstances.
- (b) If not covered by (a) above. . . . Two hundred per cent. *ad valorem.*”

THE THIRD SCHEDULE

(See section 11)

PART I

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 clause (9) of section 2 of the Income-tax Act, 1922 (XI of 1922), not being a case to which paragraph B of this part applies-

Rates.

- | | |
|--|---|
| (1) Where the taxable income does not exceed Taka 1,000. | Taka 75. |
| (2) Where the taxable income exceeds Taka 1,000 but does not exceed Taka 2,000. | Taka 75 <i>plus</i> 5 per cent. of the amount exceeding Taka 1,000. |
| (3) Where the taxable income exceeds Taka 2,000 but does not exceed Taka 4,000. | Taka 125 <i>plus</i> 10 per cent. of the amount exceeding Taka 2,000. |
| (4) Where the taxable income exceeds Taka 4,000 but does not exceed Taka 6,500. | Taka 325 <i>plus</i> 15 per cent. of the amount exceeding Taka 4,000. |
| (5) Where the taxable income exceeds Taka 6,500 but does not exceed Taka 10,000. | Taka 700 <i>plus</i> 20 per cent. of the amount exceeding Taka 6,500. |
| (6) Where the taxable income exceeds Taka 10,000 but does not exceed Taka 15,000. | Taka 1,400 <i>plus</i> 25 per cent. of the amount exceeding Taka 10,000. |
| (7) Where the taxable income exceeds Taka 15,000 but does not exceed Taka 25,000. | Taka 2,650 <i>plus</i> 35 per cent. of the amount exceeding Taka 15,000. |
| (8) Where the taxable income exceeds Taka 25,000 but does not exceed Taka 35,000. | Taka 6,150 <i>plus</i> 50 per cent. of the amount exceeding Taka 25,000. |
| (9) Where the taxable income exceeds Taka 35,000 but does not exceed Taka 50,000. | Taka 11,150 <i>plus</i> 60 per cent. of the amount exceeding Taka 35,000. |
| (10) Where the taxable income exceeds Taka 50,000 but does not exceed Taka 70,000. | Taka 20,150 <i>plus</i> 65 per cent. of the amount exceeding Taka 50,000. |
| (11) Where the taxable income exceeds Taka 70,000 but does not exceed Taka 1,00,000. | Taka 33,150 <i>plus</i> 67.5 per cent. of the amount exceeding Taka 70,000. |
| (12) Where the taxable income exceeds Taka 1,00,000. | Taka 53,400 <i>plus</i> 70 per cent. of the amount exceeding Taka 1,00,000: |

Provided that-

- (i) no income-tax shall be payable on a total income which before the deduction of the sums, if any, exempt under the first, third and fourth provisos to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15CC, section 15D, section 15E, section 15F, section 15H and section 58F of the Income-tax Act, 1922 (XI of 1922), does not exceed Taka 8,400; and
- (ii) the income-tax payable shall in no case exceed (a) the amount by which the total income exceeds Taka 8,400 or (b) the amount representing seventy per cent. of the total income, whichever amount is the less and, where such income includes any income from a share of the income, profits and gains of a firm to which paragraph C of Part II applies, such portion of the Super-tax payable under the said paragraph as bears to the total amount of such Super-tax the same proportion as his share of income, profits and gains of the firm bears to the total income of the firm shall be added to the income-tax payable by such partner under this paragraph and, if the sum so arrived at exceeds seventy per cent. of the total income of such partner (including his share of income, profits and gains of the firm), the amount of income-tax payable by him under this paragraph shall be reduced by the amount of such excess.

Explanation. The expression “taxable income”, as used in this paragraph, means-

- (a) in the case of an assessee to which sub-section (3) of section 11 of this Act or clause (a) of sub-section (1) of section 17 of the Income-tax Act, 1922 (XI of 1922) applies, the total income;
- (b) in any other case, the total income of an assessee as diminished by the allowance admissible under the first, third and fourth provisos to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15CC, section 15D, section 15E, section 15F, section 15H and section 58F of the Income-tax Act, 1922 (XI of 1922).

- B. In the case of every company and local authority and in every case in which, under the provisions of the Income-tax Act, 1922 (XI of 1922), income-tax is to be charged at the maximum rate-

Rates.

On the total income, excluding such part thereof as consists of any dividend, bonus or bonus shares to which subparagraph (2) or (3) of paragraph A of Part II applies. 30 per cent of such income.

C. In the case of every Company-
On the part of the total income consisting of the amount of dividend, bonus or bonus shares to which subparagraph (2) or (3) of paragraph A of Part II applies: Nil.

Provided that, for the purposes of paragraph B, where a company distributes dividends out of its income, profits and gains in respect of which it has obtained a rebate of one anna in the rupee under the proviso to paragraph B of Part I of the Fourth Schedule to the Finance Act, 1958 (XXII of 1958), the Third Schedule to the Finance Act, 1957 (I of 1957), the Third Schedule to the Finance Act, 1956 (I of 1956), and the Third Schedule to the Finance (1955-56) Act, 1956 (XXX of 1956), an additional income-tax at the rate of 6.25 per cent shall be levied on the amount of such dividend and such amount shall be deemed for the purposes of this proviso to be a part of the total income of the company of the year in which such distribution is made.

PART II**Rates of Super Tax**

A. In the case of Company-

Rates.

- (1) On the whole of the total income excluding income to which paragraph C of Part I applies. 30 per cent of such total income:

Provided that, where a company, in respect of the profits and gains liable to tax under the Income-tax Act, 1922 (XI of 1922), has made such effective arrangements as may be prescribed by the National Board of Revenue in this behalf for the declaration and payment in the taxable territories of dividends payable out

of such profits and gains and for the deduction of tax from such dividends, rebate shall be allowed as follows:-

- (i) a rebate of 5 per cent. to such company if it is a public company;
- (ii) a rebate of 5 per cent. to such company if it is a public company to which clause (iii) does not apply, if its paid-up capital *plus* free reserves as on the last day of the previous year does not exceed Taka 5,00,000;
- (iii) a rebate of 5 per cent on so much of the income, profits and gains of such company, being a public company, as are derived by it from an industrial undertaking if its paid-up capital *plus* free reserves as on the last day of the previous year does not exceed Taka 10,00,000;
- (iv) a rebate of 10 per cent to such company in respect of its income, profits and gains to which sub-section (9) of section 10 of the Income-tax Act, 1922 (XI of 1922), applies or which are derived by it in Bangladesh from processing, freezing, preserving and canning of food, vegetables, fruit, grain, meat, fish and poultry;
- (v) a rebate of 15 per cent to such company on so much of the income, profits and gains accruing or arising outside the taxable territories to which sub-section (4) of section 11 of this Act does not apply as are brought by it into Bangladesh.

Explanation. The term “industrial undertaking”, as used in clause (iii) means an undertaking which is set up or commenced in the taxable territories on or after the 14th day of August, 1947, and which employs (i) ten or more persons in taxable territories and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency or (ii) twenty or more persons in the taxable territories and does not involve the use of the electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency and which is-

- (i) engaged in-
 - (a) the manufacture of goods or materials or the subjection of goods or materials to any process, which substantially changes their original conditions;
 - (b) ship-building;

- (c) generation, transformation, conversion, transmission or distribution of electrical energy or the supply of hydraulic power;
- (d) the working of any mine, oil-well or other source of mineral deposits not being an undertaking to which the Second and Third Schedules to the Income-tax Act, 1922 (XI of 1922) apply; or
- (ii) any other industrial undertaking which may be approved by the National Board of Revenue for the purposes of this clause.

(2) On the amount representing income from dividends from a company having its registered office in Bangladesh-

Rates.

- | | |
|--|-----------------------------|
| (a) Where such dividends are received by a public company and are declared and paid by a company formed and registered in Bangladesh under the Companies Act, 1913 (VII of 1913), or a body corporate formed in pursuance of an Act, in respect of the share-capital issued, subscribed and paid after the fourteenth day of August, 1947; | 15 per cent of such amount. |
| (b) In other cases | 20 per cent of such amount. |

(3) On the whole of the amount representing the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders with a view to increasing its paid-up capital-

Rates.

- | | |
|--|-----------------------------|
| (a) Where a company which issues bonus shares or bonus, as the case may be, is a public company; | 15 per cent of such amount. |
| (b) In other cases | 20 per cent of such amount. |
- B. In the case of every local authority-
- | | |
|----------------------------------|---|
| On the whole of the total income | <i>Rates.</i>
12.5 per cent of the total income. |
|----------------------------------|---|

C. In the case of every registered firm-

Rates.

- | | |
|---|--|
| (1) Where the total income does not exceed Taka 10,000. | Nil. |
| (2) Where the total income exceeds Taka 10,000 but does not exceed Taka 15,000. | 5 per cent of the amount exceeding Taka 10,000. |
| (3) Where the total income exceeds Taka 15,000 but does not exceed Taka 30,000. | Taka 250 <i>plus</i> 7.5 per cent of the amount exceeding Taka 15,000. |
| (4) Where the total income exceeds Taka 30,000 but does not exceed Taka 60,000. | Taka 1,375 <i>plus</i> 12.5 per cent of the amount exceeding Taka 30,000. |
| (5) Where the total income exceeds Taka 60,000 but does not exceed Taka 1,00,000. | Taka 5,125 <i>plus</i> 20 per cent of the amount exceeding Taka 60,000. |
| (6) Where the total income exceeds Taka 1,00,000. | Taka 13,125 <i>plus</i> 30 per cent of the amount exceeding Taka 1,00,000. |

Explanation. The term “registered firm” as used in this paragraph, means a firm registered under section 26A of the Income-tax Act, 1922 (XI of 1922), or a firm treated as a registered firm under clause (b) of sub-section (5) of section 23 of the Income-tax Act, 1922 (XI of 1922).

PART III
(See section 12)
Rates of Surcharge

Rates.

- | | |
|---|---|
| A. In the case of a company | Nil. |
| B. In the case of every assessee, not being a company, whose total income, profits and gains exceed Taka thirty-six thousand. | 10 per cent of the income-tax and super-tax, if any, payable under the Income-tax Act, 1922 (XI of 1922): |

Provided that the surcharge payable shall not in any case exceed the amount by which the total income, profits and gains exceed Taka thirty-six thousand.
