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NOTIFICATION

No. H. 12017/55/99/LJD/85, the 18th March, 1999. The following Central Act is hereby republished for general information.

R. Lalthazuala,
Deputy Secretary to the Govt. of Mizoram,
Law and Judicial Department.

THE INCOME TAX (SECOND AMENDMENT) ACT, 1998.

AN ACT

further to amend the Income-tax Act, 1961.

Be it enacted by Parliament in the Forty-ninth Year of the Republic of India as follows :—

1. (1) This Act may be called the Income-tax Short title
(Second Amendment) Act, 1998. and com-
mencement.

(2) Save as otherwise provided in this Act,
it shall come into force on the 1st day of April, 1999.

43 of 1961. 2. In section 10 of the Income-tax Act, 1961 (here- Amend-
inafter referred to as the Income-tax Act), in clause (23G), ment of
the Explanation shall be numbered as explanation 1 section 10.
thereof and after Explanation 1 as so numbered, the
following Explanation shall be inserted, namely :—

21 of 1998.

“Explanation 2.—For the removal of doubts, it is hereby declared that any income by way of dividends, interest or long term capital gains of an infrastructure capital fund or an infrastructure capital company from investments made before the 1st day of June, 1998 by way of shares or long term finance in any enterprise carrying on the business of developing, maintaining and operating any infrastructure facility shall not be included and the provisions of this clause as it stood immediately before its amendment by the Finance (No. 2) Act, 1998 shall apply to such income.”.

Amendment
of section-
10A.

3. In section 10A of the Income-tax Act,—

(a) in sub-section (3),—

(i) for the word “five”, the word “ten” shall be substituted;

(ii) the words “falling within a period of eight years” and “specified by the assessee at his option” shall be omitted;

(iii) the proviso shall be omitted;

(b) in the Explanation below sub-section (8), for clause (ii), the following clause shall be substituted, namely,—

“(ii) “revelant assessment years” means the ten consecutive assessment years referred to in sub-section (3);”.

Amendment
of section
10B.

4. In section 10B of the Income-tax Act,—

(a) in sub-section (3),—

(i) for the word “five”, the word “ten” shall be substituted;

(ii) the words “falling within a period of eight years” and “specified by the assessee at his option” shall be omitted;

(iii) the proviso shall be omitted;

(b) in the Explanation below sub-section (7) for clause (ii), the following clause shall be substituted, namely,—

“(ii) “revelant assessment years” means the ten consecutive assessment years referred to in sub-section (3);”.

Amendment
of section
32.

5. In section 32 of the Income-tax Act, in sub-section (1), in clause (ii), after the second proviso, the following shall be inserted, namely :—

'Provided also that where an asset being commercial vehicle is acquired by the assessee on or after the 1st day of October, 1998 but before the 1st day of April, 1999 and is put to use before the 1st day of April, 1999 for the purposes of business or profession, the deduction in respect of such asset shall be allowed on such percentage on the written down value thereof as may be prescribed.

Explanation.—For the purposes of this proviso,—

(a) the expression "commercial vehicle" means "heavy goods vehicle", "heavy passengers motor vehicle", "light Motor Vehicle", "Medium goods Vehicle" and "medium passenger motor vehicle" but does not include "maxi-cab", "motor-cab", "tractor" and "road roller";

(b) the expressions "heavy goods vehicle", "heavy passenger motor vehicle", "light motor vehicle", "medium goods vehicle", "medium passenger motor vehicle", "maxi-cab", "Motor-cab", "tractor" and "road-roller" shall have the meanings respectively as assigned to them in section 2 of the Motor Vehicles Act, 1988'. 59 of 1988.

Amendment
of section
44AD.

6. In section 44AD of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1997, namely :—

"(5) Nothing contained in the foregoing provisions of this section shall apply, where the assessee claims and produces evidence to prove that the profits and gains from the aforesaid business during the previous year relevant to the assessment year commencing on the 1st day of April, 1997 or any earlier assessment year, are lower than the profits and gains specified in sub-section (1), and thereupon the Assessing Officer shall proceed to make an assessment of the total income or loss of the assessee and determine the sum payable by the assessee on the basis of assessment made under sub-section (3) of section 143."

7. In section 44AE of the Income-tax Act, after sub-section (5), the following sub-section shall be inser-

Amend-
ment of

ted and shall be deemed to have been inserted with effect from the 1st day of April, 1997, namely :— section 44 AE

“(6) Nothing contained in the foregoing provisions of this section shall apply, where the assessee claims and produces evidence to prove that the profits and gains from the aforesaid business during the previous year relevant to the assessment year commencing on the 1st day of April, 1997 or any earlier assessment year, are lower than the profits and gains specified in sub-sections (1) and (2), and thereupon the Assessing Officer shall proceed to make an assessment of the total income or loss of the assessee and determine the sum payable by the assessee on the basis of assessment made under sub-section (3) of section 143.”.

8. In section 80P of the Income-tax Act, in sub-section (2), in clause (a), for sub-clause (iii), the following sub-clause shall be substituted, and shall be deemed to have been substituted with effect from the 1st day of April, 1968, namely :— Amendment of section 80P.

“(iii) the marketing of agricultural produce grown by its members, or.”.