

# The Finance Act, 1979

( ACT NO. V OF 1979 )

## 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, 1979.
  - (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 first day of July, 1979.
- Amendment of Act XI of 1922**
2. The following amendments shall be made in the Income-tax Act, 1922 (XI of 1922), namely:-
    - (1) in section 2, in clause (6A), in sub-clause (a), after the words "payment made by a company", the comma, words and figure " , including a company the income, profits and gains of which is exempted from payment of taxes under section 14A" shall be inserted;
    - (2) in section 4, after sub-section (2D), the following new sub-section (2E) shall be inserted, namely:-

"(2E) where, in any previous year the assessee has incurred expenses and he offers no explanation about the nature or source of the money from which the expenses were met or the explanation offered by him is not, in the opinion of the Deputy Commissioner of Taxes, satisfactory, the amount of expenses may be deemed to be the income of the assessee for such previous year.";

(3) in section 10,-

(a) in sub-section (2), after clause (vibb), the following new clauses (vic) and (vid) shall be added, namely:-

“(vic) an investment allowance equivalent to twenty per cent of the cost of a passenger vessel or a fishing trawler referred to in clause (vibb) in respect of the year in which the passenger vessel or the fishing trawler is first put to use for public utility;

(vid) in respect of depreciation of ships, other than ships ordinarily plying on inland waters, registered in Bangladesh and brought into use in Bangladesh for the first time on any day between the first day of July, 1979, and the thirtieth day of June, 1983, being the property of the assessee, a sum equivalent to 40 per cent in the first year, 30 per cent in the second year and 30 per cent in the third year on the original cost to the assessee, notwithstanding anything contrary contained in clause (vi):

Provided that-

(a) the ship, other than the ship ordinarily plying on inland waters, in respect of which the depreciation is claimed, fulfils such specifications as may be specified in this behalf by the Government by notification in the official Gazette;

(b) the prescribed particulars have been duly furnished;

(c) where the full effect cannot be given to such allowance in any year owing to there being no profits or gains chargeable for that year, or owing to the profits or gains chargeable being less than the allowance, then, subject to the provisions of clause (b) of the proviso to sub-section (2) of section 24, the allowance or part of the allowance to which effect has not been given, as the case may be, shall be added to the amount of the allowance for depreciation for the following year and deemed to be the part of that allowance, or, if there is no such allowance for that year, be deemed to be the allowance for that year and so on for succeeding years; and

(d) the aggregate of all such allowances made under this Act shall, in no case, exceed the original cost to the assessee of the ship other than the ship ordinarily plying on inland waters:

Provided further that the ship, other than the ship ordinarily plying on inland waters, to which the depreciation at 40%, 30% and 30% has been allowed shall not be entitled to the allowances referred to in clause (vi);”;

(b) in sub-section(4), in clause (e), for the full stop at the end a semi-colon shall be substituted and thereafter the following new clause (f) shall be added, namely:-

“(f) any allowance in respect of such expenditure on publicity and advertisement as may be prescribed.”;

(4) in section 12B, in sub-section (1), for the first proviso the following shall be substituted, namely:-

“Provided that any distribution of capital assets on the total or partial partition of a Hindu undivided family, or on the dissolution of a firm or other association of persons, or on the liquidation of a company, or any transfer under a deed of gift, bequest, will or transfer on irrevocable trust shall not, for the purposes of this section, be treated as sale, exchange or transfer of the capital assets.”;

(5) in section 14A,-

(a) in sub-section (2B),-

(i) in clause (c),-

(1) for the word “sixty” occurring twice, the word “thirty” shall be substituted in both the places; and

(2) for the word “thirty”, the word “fifteen” shall be substituted;

(ii) in clause (d), in the proviso, for the semi-colon a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided further that the National Board of Revenue may admit an application after the expiry of the said period of four months if it is satisfied

that there was sufficient cause for not making the application within the said period;”;

(b) in sub-section (2D), in clause (c),-

(i) for the word “sixty” occurring twice, the word “thirty” shall be substituted in both the places; and

(ii) for the word “thirty”, the word “fifteen” shall be substituted;

(a) after sub-section (2D), the following new sub-section (2E) shall be inserted, namely:-

“(2E) Nothing contained in this section shall be deemed to exempt from tax any dividend paid, credited or distributed or deemed to have been paid, credited or distributed by a company to its shareholders out of the profits or gains exempt from tax under this section.”;

(6) in section 15AA, in sub-section (1), for the comma, words, brackets and figures “, sub-section (3A) and sub-section (4)” the words, brackets and figure “and sub-section (3A)” shall be substituted and shall be deemed to have been so substituted on and from the 1st day of July, 1978;

(7) in section 15C, in sub-section (1), the words, brackets and figures “of sub-section (4) of section 15 and the provisions” shall be omitted and shall be deemed to have been so omitted on and from the 1st day of July, 1978;

(8) in section 15CC, in sub-section (1), the word, brackets and figure “and (4)” shall be omitted and shall be deemed to have been so omitted on and from the 1st day of July, 1978;

(9) in section 15F, the comma, words, brackets and figure “, and sub-section (4)” shall be omitted and shall be deemed to have been so omitted on and from the 1st day of July, 1978;

(10) in section 17, in sub-section (5), in clause (b), in sub-clause (ii), in paragraph (2), for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

“Provided that nothing contained in this sub-section shall apply in case of an assessee whose income chargeable under the head “capital gains” has

arisen on account of disposal by him of his capital asset or assets acquired before the 14th day of August, 1947.”;

(11) in section 22,-

(a) in sub-section (1), after the words “shall furnish a return”, the words “in the prescribed form and verified in the prescribed manner” shall be inserted;

(b) in sub-section (4A), for the words “the total assets and liabilities of himself” the words and comma “the total assets, liabilities and expenses of himself” shall be substituted;

(12) in section 23B, in sub-section (6), for the words and figures “under section 18 or section 18A” the words, comma and figures “under section 18, section 18A or section 22A” shall be substituted;

(13) in section 25, in sub-section (6), for the word “member” the word “partner” shall be substituted;

(14) in section 30, in sub-section (1), for the words “additional tax” the words “simple interest” shall be substituted and shall be deemed to have been so substituted on and from the 1st day of July, 1978;

(15) in section 31, in sub-section (2), after the word and comma “appeal,”, the words and comma “make such further enquiry as he thinks fit, or” shall be inserted;

(16) in section 34,-

(a) in sub-section (1A), in clause (b), the word “deliberately” shall be omitted;

(b) in sub-section (2), the word “deliberately” shall be omitted; and

(c) in sub-section (2A), the word “deliberately” shall be omitted;

(17) in section 47A,-

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