

# **The Finance Ordinance, 1982**

( Ordinance NO. XVI OF 1982 )

## **An Ordinance 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 purpose hereinafter appearing;

NOW, THEREFORE, in pursuance of the Proclamation of the 24th March, 1982, and in exercise of all powers enabling him on that behalf, the Chief Martial Law Administrator is pleased to make and promulgate the following Ordinance:-

### **Short title and**

1. (1) This Ordinance may be called the Finance Ordinance, 1982.

### **commencement**

(2) Except as otherwise provided in this Ordinance, this section and sections 5, 11 and 13 shall come into force at once, and other sections shall come into force on the first day of July, 1982.

### **Amendments 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, clause (6AA) shall be omitted;

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

(a) in clause (xii),

(i) in sub clause (ff), the words “begun and” shall be omitted and shall be deemed to have been so omitted on and from the first day of July, 1980;

(ii) in sub clause (h), the words “begun and” shall be omitted and shall be deemed to have been so omitted on and from the first day of July, 1980;

(3) in section 7, in sub section (1), in the third proviso, for the words “four thousand two hundred Taka”, “two thousand four hundred Taka” and one

thousand eight hundred Taka” the words “six thousand Taka”, “three thousand two hundred Taka” and “two thousand four hundred Taka” shall, respectively, be substituted;

(4) in section 8, in the second proviso, the words “or super tax” shall be omitted;

(5) in section 9, in sub section (2), in the first proviso, in clause (b), for the words “the total income” the words “all other income excluding the notional income from the residential house” shall be substituted;

(6) in section 10, in sub section (2),-

(a) in clause (vi), in the proviso, in clause (a), for the word “prescribed” the words “necessary” shall be substituted;

(b) in clause (vib), -

(i) for the figure “1982” the figure “1987” shall be substituted;

(ii) in the third proviso, for the word “prescribed” the word “necessary” shall be substituted;

(c) in clause (x), in the proviso, for the semi colon at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:

“Provided further that any sum paid to an employee as festival bonus shall not be subjected to the conditions laid down in the first proviso;”;

(7) in section 12B, after sub section (6), the following new sub section (7) shall be added, namely:-

“(7) 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 which within a period of two years immediately following the date on which the sale, exchange or transfer took place, is invested in the acquisition of capital asset of a new industrial undertaking, 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 purposes of computing in respect of the new asset any allowance under clause (vi) or clause (vii) of sub section (2) of section 10 or the amount of any capital gain arising from its sale, exchange or transfer, the cost or the written down value, as the case may be, 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 purposes of computing in respect of the new asset any allowance under the said clause (vi) or any allowance or adjustment under the said clause(vii) or the amount of any capital gains arising from its sale, exchange or transfer, the cost or the written down value, as the case may be, shall be reduced by the amount of the capital gain:

Provided that where in respect of the acquisition of the capital asset of a new industrial undertaking, the assessee satisfies the Deputy Commissioner of Taxes that despite the exercise of due diligence it has not been possible to acquire the new asset within the period specified in this sub section, 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.”;

(8) in section 13A, in sub section (1), for the words “twenty lakhs” the words “ten lakhs” shall be substituted;

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(9) in section 14, in sub section (3), in clause (b), in sub clause (ii), in the Explanation, in clause (b), for the words “ten thousand” the words “fifty thousand” shall be substituted;

(10) in section 14A,-

(a) in sub section (2A), the words “and super tax” shall be omitted;

(b) in sub section (2C), the words “and super tax” shall be omitted;

(11) in section 15, sub section (3A) shall be omitted;

(12) section 15A shall be omitted;

(13) in section 15D, in sub section (1), the proviso shall be omitted;

(14) after section 15D, the following new section 15DD shall be inserted, namely-

“15DD. Contribution to Zakat Fund, etc.-The tax shall not be payable by any person in respect of any sums paid by him as Zakat to the Zakat Fund or as donation or contribution to the charitable Fund established by or under the Zakat Fund Ordinance, 1982”;

(15) section 15E shall be omitted;

(16) in section 15G,-

(a) in sub section (1), the words “in the manner hereinafter provided” at the end shall be omitted;

(b) sub section (2) shall be omitted;

(c) for sub section (3) the following shall be substituted, namely:-

“(3) Where no tax is payable by a company in respect of the year in which it makes such investment or where the amount of tax payable is less than the amount of credit, the amount of the credit or so much of it as has not been deducted, as the case may be, shall be carried forward and deducted from the tax payable by the company in the following year and so on” .;

(17) section 15H shall be omitted;