

## CHAPTER II

### CHARGE OF AGRICULTURAL INCOME-TAX

**3. Charge of agricultural income tax:** Agricultural income-tax at the rate or rates specified in the schedule, subject to the provisions of section 6, shall be charged for each assessment year in accordance with and subject to the provisions of this Act on the total agricultural income of the previous year of every person:

Provided that the State Government may, by notification in the Official Gazette, vary the rates of tax under this Act and on such notification being issued, the rate of tax shall be deemed to have been amended accordingly:

Provided further that the rate of tax to be specified or varied by the State Government shall not exceed fifty per centum.

**Amendment:** *In the principal Act, in section 3, the provisos has been inserted vide notification no. LGL.61/2009/31 Dtd. 07-09-2010 published in the Assam Gazette Extraordinary No.274 Dated 07-09-2010.*

**Amendments:** (i) The words "every person" have been substituted by the Amendment Act XIX of 1974 w.e.f. 10-7-1974 by deleting the words "every individual Undivided Family or joint family, company, firm and other association of individuals"

(ii) The words "the Schedule' have been substituted for the "the Assam Finance Acts" w.e.f 1-4-1982 by President's Act No. I of 1982.

(iii)The words "assessment year" have been substituted for the words "financial year" by Assam Act No. VI of 1989 w.e.f. 1-4 -1989.

**4. Exemption.** Except as provided elsewhere in this Act, agricultural incomet-tax shall not be assessed on, and be payable by an assessee in respect of -

(i)any income which he receives as a member of a Hindu joint or undivided family where agricultural income of such family has been assessed to agricultural income-tax under this Act;

See :Rule 22

(ii) any sum which he receives by way of dividend as a shareholder in any company where the agricultural income of the company has been assessed to agricultural income tax under this Act;

(iii) such an amount of the agricultural income of any firm which has been assessed to agricultural income-tax under this Act as is proportionate to his share in the firm at the time of such assessment as is received by him;

(iv) any sum which he receives as his share of the agricultural income of an association of individuals other than a Hindu joint or undivided family, company or firm where such agricultural income has been assessed to agricultural income-tax under this Act;

(v) any sum which he receives after the tax in respect thereof has been assessed under section 9 to 14 and realised.

**5. Application of the Act:** Save as hereinafter provided, this Act shall apply to all agricultural income derived from the land situated the State of Assam.

**6. Limit of taxable income and rate of tax:** Agricultural income tax shall be payable by every person whose total agricultural income the previous year exceeds the limits specified in the Schedule at such rates as are specified therein.

### Amendments

(1) The old Section 6, itself provided for the exemption limit of 3000/-. The Section was then substituted by Assam Act No. XIX of 1974 w.e.f. 7-74 which required that the exemption limit and the rates of tax for every should be specified in the annual Assam Finance Acts.

(2) The words "Assam Finance Acts" were replaced by the word "Schedule" w.e.f. 1-4 -1982 by President Act I of 1982.

(3) The words "previous year" have been substituted place of "previous agricultural year" w.e.f. 1-4-1989.

**7. Determination of agricultural income:** The agricultural income mentioned in sub-clause (1) of clause (a) of section 2 shall be deemed to be the sum realised in the previous year on account of agricultural income mentioned in the said sub-clause (1) after making the following deductions:

See: Rule 2(1), 6.7 & 20

(a) the sum actually paid in the previous year as revenue to the Government or as rent to superior landlord in respect the land from which such agricultural income is derived;

(b) the sum actually paid in the previous year in respect of such land as any local rate collected under enactment in force Assam;

(c) a sum equal to 15 per cent of the total amount of the rent which accrued due in the previous year, in respect of the charge for collecting the same;

(d) any rate paid under the Village Chowkidari Act, 1870, in respect of any building used by the assessee as an office for the collection of the rents due in respect of the land from which such agricultural income is derived;

(e) any expenses incurred on the maintenance of any irrigation or protective work constructed for the benefit of the land from which such agricultural income is derived;

(f) in respect of the current repairs to any capital asset used in connection with the collection of rents due in respect of the land from which agricultural income is derived, the amount paid on account thereof;

(g) interest actually paid on any amount borrowed and actually spent on any capital expenditure incurred after the First April 1937 for the benefit of the land from which the

such agricultural income is derived;

(h) depreciation in respect of any capital asset purchased or constructed after First April, 1937 for the benefit of the land from which such agricultural income is derived, or for the purpose of deriving such agricultural income from such land at such rates as may be prescribed by the Central Government for computing profits or gains of any business for the purpose of assessment of income-tax thereon and in default of such prescription prescribed by rules under Section 50;

See:Rule 6 & 7

(i) any interest actually paid on any mortgage of any other kind of debt or any interest actually paid on any other capital charge incurred for the purpose of acquiring the property from which such agricultural income is derived;

(j) when the property from which such agricultural income is derived is subject to a mortgage created before the 1st day of January 1939, the amount of any interest actually paid on such mortgage;

(k) any malikana or similar levy actually paid by the assesses in respect of the land from which such agricultural income is derived;

(l) any sum actually paid as interest in respect of loans taken under the Agricultural Loans Act, 1884, and the Land Improvement Loans Act, 1883; and

(m) any sum actually donated for charitable purposes if such donation in aggregate is not more than Rs.5 lakh or ten per centum of the total agricultural income, whichever is less; provided that such sum is actually spent for such purpose in the State of Assam;

See:Rule 2(1), 2(3) & 2(4)

(n) such other deductions on account of depreciation or any other cause as may be prescribed by rules under section 50.

See:Rule 2(1), 6& 7

**Amendments:** (1) The words "previous year" have been substituted in place of "previous agricultural year" by the Assam Act No. VI of 1989 w.e.f. 1-4 -1989.

(2) Clause (m) has been substituted by Assam Ordinance No. III of 1994 with retrospective effect from 1-4 -1993(effective from assessment year 1993-94). The ordinance was subsequently replaced by the Assam Act No. XXVIII of 1994 which came into force from 6-5-1994.

Prior to its substitution, clause (m) read as under:

*"(m) any sum actually donated for charitable purposes, if such donation in aggregate is not more than Rs. 1,00,000 or ten per centum of the total agricultural whichever is less;"*

**8. Determination of agricultural income mentioned in sub-clause (2) of clause (a) of section 2.**

- (1) The agricultural income mentioned in sub-clause (2) of clause (a) of section 2 shall be assessed on the net amount of such income determined in the prescribed manner.

2) Rules prescribing the manner of determining the net amounts of agricultural income for the purpose of this clause shall provide that the following deductions shall be made from the gross amounts of such income, namely:

See: Rule 2(2), 3 to 8 & 20

- (a) the sum actually paid in the previous year as revenue to the Government or as rent to a superior landlord in respect of the land from which such agricultural income is derived;
- (b) the sum actually paid in the previous year in respect of such land as any local rate collected under any enactment in force in Assam;
- (c) any rent paid under the Village Chowkidari Act, 1870, in respect of any building used for the purposes of the cultivation of land from which such agricultural income is derived;
- (d) the expenses of cultivating the crop from which such agricultural income is derived and of transporting such crop to market, including the maintenance of agricultural implements and cattle required for the purpose of such cultivation and for transporting the crop to market;
- (e) any tax, or rate paid under any enactment in force in Assam on the cultivation or sale of the crop from which such agricultural income is derived;
- (f)
  - (i) any expenses incurred on the maintenance of any irrigation or protective works constructed for the benefit of the land from which agricultural income is derived;
  - (ii) any expenses incurred on the maintenance of any capital asset, if such maintenance is deemed to be required for the purpose of deriving such agricultural income from such land;
  - (iii) interest actually paid on any amount borrowed and actually spent on any capital expenditure incurred the benefit of the land from which such agricultural income is derived, or for the purpose of deriving agricultural income from such land;
  - (iv) (a) depreciation of any asset required for the benefit of the land

from which such agricultural income is derived or for the purpose of deriving such agricultural income from such land, subject the provisions of this Act in manner allowed and at the rates prescribed for the purposes of Indian Income-tax or in default of such prescription as prescribed by rules under section 50 of this Act;

- (b) in respect of any such machinery or plant which in consequence of its having become obsolete has been sold or discarded, the difference between the written down value as defined the purposes of Indian Income-tax and amount for which the machinery or plant is actually sold or its scrap value;
- (v) any sum paid in order to effect an insurance against loss or damage of crop or property from which agricultural income is derived:

See:Rule 8

Provided that notwithstanding anything contained in this Act in the case of an assessee in whose case deduction on the account is made in assessment any amount received by him from the insurance company in any year shall be deemed to be for the purpose of this Act agricultural income after deducting the share or portion thereof assessed to the Indian Income-tax;

- (vi) any interest paid on any mortgage or other capital charge incurred for the purpose of acquiring the property from which such agricultural income is derived or for the purposes of cultivation of the property;
- (vii) Omitted

**Amendment:** *In the principal Act, in section 8, in subsection (2), in clause (f), sub-clause (vii) has been omitted vide Notification no. LGL.22/2002/90 Dated 7<sup>th</sup> December, 2007 published in the Assam Gazette Extraordinary No. 377 Dated 10<sup>th</sup> December, 2007.*

Prior to this the sub-clause (vii) read as follows:

*(vii) any expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning or deriving the agricultural income; provided that such expenditure, if laid out or expended wholly and exclusively for the purpose of earning income chargeable to tax under the Income Tax Act, 1961 (43 of 1961) would have been admissible for deduction under that Act;*

- (g) any sum actually donated for charitable purposes, if such donation is not

See Rule 2(2),2(3) & 2(4)

more than Rs.5 lakh or ten per centum of the total agricultural income whichever is less; provided that such sum is actually spent for such purposes in the State;

(h) such other deductions as may be prescribed by the rules made under section 50 of this Act:

See :Rule 2(2)

Provided always that no deduction shall be made under this clause if it has already been made under section 7 of this Act or in the assessment under the Income-tax Act, 1961.

Provided further that in case of agricultural income from cultivation and manufacture of tea the agricultural income for the purposes of this Act shall be deemed to be that portion of the income from cultivation, manufacture and sale which is agricultural income within the meaning of the Indian Income-tax Act and shall be ascertained by computing the income from the cultivation, manufacture and sale of tea as computed for Indian Income-tax Act.

**Amendment:** *In the principal Act, in section 8, in subsection (2), in clause (h) has been substituted vide Notification no. LGL.22/2002/90 Dated 7<sup>th</sup> December, 2007 published in the Assam Gazette Extraordinary No. 377 Dated 10<sup>th</sup> December, 2007.*

(3) In determining the net agricultural income, such percentage the agricultural income of the assessee as may be notified by the State Government from time to time and deposited with the Assam Financial Corporation in the previous year, in an (hereinafter referred to as the Plantation Development maintained by the assessee with the Assam Financial Corporation for utilisation for the purposes specified below in clause (e) of this sub-section, shall be allowed as deduction assessee from the agricultural income provided the same has not already been allowed as deduction under any of the provisions of the Indian Income Tax Act, 1961:

Provided further that where such assessee is a firm, or any association of persons or any body of individuals the deduction under this sub-section shall not be allowed in the computation of the income of any partner, or as the case may be, any of such firms, association of persons or body of individuals:

Provided further that if any withdrawal from the deposit is not utilized for the purpose for which it is sanctioned, it shall be treated as agricultural income of the year of the withdrawal and assessed accordingly.

(a) extension of planting, replanting, replacement rejuvenation or consolidation of areas of plantations or interplanting of planted areas including preparation of land, care and maintenance of such areas and

- provision of nurseries and shade trees;
  - (b) extension of factories and godowns;
  - (c) purchase of tractors, trailers, power tillers, power for the purpose of expansion of plantation;
  - (d) purchase of spraying equipment for weed control and plant protection measures;
  - (e) measures for controlling floods, soil erosion and water logging including drainage.
- (4)
- (a) In determining the net agricultural income, any amount invested in the setting up of power generation units and industrial units within the State of Assam other than tea plantation and manufacturing shall be allowed as deduction to the assessee from the agricultural income, provided the same has not already been allowed as deduction under any other provision of this Act or under any provisions of the Income Tax Act, 1961 or the same has not been received as any subsidy or grant by the assessee from the Government of India or the Government of Assam.
  - (b) For the purpose of this sub-section, the State Government shall have the power to formulate a scheme by notification in the Official Gazette, specifying the industries which shall be eligible for the benefits of the scheme and may, by a notification in the Official Gazette, specify the conditions, subject to which the benefits of the scheme may be extended to the power generation units or the industrial units.
  - (c) The State Government may, from time to time and in the public interest, modify, amend or alter the scheme in such manner and to such extent as the State Government may deem fit.
  - (d) Any scheme formulated under this sub-section shall, as soon as may be after it is notified in the Official Gazette, be laid before the house of State Legislature, while it is in session for a total period of thirty days, which may be comprised in one or more session in which it is so laid or the session immediately following and if, the House agrees in making any modification in the scheme the shall thereafter have effect only in such modified form:

Provided that any such modification shall be without prejudice to the validity of any thing previously done the scheme.
  - (e) Any scheme formulated and modified under this section or any modification, amendment, alteration or reenactment thereof shall be deemed to form a part Assam Agricultural Income Tax Act, 1939 and all the provisions of the said Act shall apply accordingly.
- (5) In determining the net agricultural income, a deduction at the rate of 5 (five)

rupees for every kilogram of tea exported through Inland Container Depot (ICD), Amingaon shall be allowed to the assessee from his agricultural income:

**Amendment:** *In the principal Act, in section 8, in subsection (5) for the words, brackets and figure "50 (fifty) paise" the words, brackets and figure "1 (one) rupee" has been substituted vide notification no. LGL.22/2002/111 Dated 24<sup>th</sup> March published in the Assam Gazette Extraordinary No. 82 Dated 25<sup>th</sup> March, 2008.*

**Amendment:** *In the principal Act, in section 8, in subsection (5) for the words, brackets and figure "1 (one) rupee" the words, brackets and figure "5 (five) rupees" has been substituted vide notification no. LGL.61/2009/20 Dated 4<sup>th</sup> January 2010 published in the Assam Gazette Extraordinary No. 3 Dated 4<sup>th</sup> January 2010.*

Provided that this deduction shall be effective on and from 1<sup>st</sup> April, 2009 for a period of one year only:

**Amendment:** *In the principal Act, in section 8, in subsection (5), in the first proviso the has been substituted vide notification no. LGL.22/2002/111 Dated 24<sup>th</sup> March published in the Assam Gazette Extraordinary No. 82 Dated 25<sup>th</sup> March, 2008.*

**Amendment:** *In the principal Act, in section 8, in subsection (5), in the first proviso the words and figures "Provided that this deduction shall be effective on and from 1<sup>st</sup> April, 2009 for a period of one year only:" has been substituted vide notification no. LGL.61/2009/20 Dated 4<sup>th</sup> January 2010 published in the Assam Gazette Extraordinary No. 3 Dated 4<sup>th</sup> January 2010.*

Provided further that the State Government may, by notification in the Official Gazette, extend the period of deduction for further periods, not exceeding one year at a time, subject to such conditions and restrictions as may be specified in the said notification.

**Amendments:** (1) The words "previous year" have been substituted in place of "previous agricultural year" w.e.f 1-4 -1989(effective from assessment year 1989-90) by Assam Act No. VI of 1989.

(2) Section 8(2)(f)(vii) has been substituted w.e.f. 28-12-1989(effective from assessment year 1990-91) by Assam Act No. XXIII of 1989.

Prior to such amendment, the sub-clause (vii) read as under:

*"(vii) any expenditure (not being in the nature of capital expenditure out or expended wholly and exclusively for the purpose of earning \ deriving the agricultural income;"*

(3) Section 8(2)(g) has been substituted w.e.f. 1-4 -1993(effective from assessment year 1993-94) by Assam Ordinance No. III of 1994. The Ordinance was subsequently replaced by Assam Act No. XXVIII of 1994 w.e.f. 6-5-1994.



Prior to the substitution, clause (g) read as under:

*“(g) any sum actually donated for charitable purposes, if such donation is not more than Rs. 1,00,000 or ten per centum of the total agricultural income, whichever is less.”*

(4) Section 8(3) was inserted by the Assam Ordinance No. III of 1994 published in the Assam Gazette of 2nd February 1994. This sub-section came into force with retrospective effect from 1-4-1993 (effective from assessment year 1993-94) by virtue of provision contained in sub-section (3) of Section 1 of the said Ordinance. The Ordinance was subsequently replaced by the Assam Act No. XXVIII of 1994 w.e.f. 6-5-1994, the date of publication in the Assam Gazette. But by virtue of 'repeal and saving' provision of Section 5(2) of the Assam Act XXVIII of 1994, in respect of anything done under the provisions of the Ordinance III of 1994 shall be deemed to be done under the provision of this Act, as if this Act had come into force date the said Ordinance came into force.

The words "in the previous year" have been substituted in place of the words "before furnishing the return of his income" by the Assam Act No. VII of 1995 w.e.f. 18-4-1995 (effective from assessment year 1996-97), the date of publication in the Assam Gazette.

(5) Section 8(4) was inserted by Assam Ordinance III of 1994 w.e.f. 1-4-1993 (effective from assessment year 1993-94).

It originally read as follows:

*'(4) any amount as may be notified in this behalf by the State Government invested for setting up of industries, other than tea plantation and manufacturing within the State of Assam'.*

The above Ordinance was replaced by Assam Act No. XXVIII of 1994 w.e.f. 1-4-1994, as follows:

The original sub-section was fully substituted by the Assam Ordinance No. of XII of 1994 w.e.f. 25-11-1994, as follows:

*'(4) in determining the net agricultural income, any amount invested in the setting up of power generation projects and industries within the State of Assam other than tea plantation and manufacturing shall be allowed as deduction to the assessee from his agricultural income, provided the same has not already been allowed a deduction under any other provisions of this Act or under any provisions of the Indian Income Tax Act, 1961 or the same has not received as any subsidy or grant by the Government of India or the Government of Assam.*

Explanation.- The Government of Assam shall notify in the Official Gazette, the scheme enumerating from time to time the industries eligible for the purposes of benefit the provision of the Act.'

The above provision has been substituted by the present provision w.e.f. 18-4-1995 (effective from assessment year 1996-97) by Assam Act No. VII of 1995.

(6) Section 8(5) has been inserted w.e.f. 1-4-1998 (effective from assessment year 1998-99) by Assam Act No. VI of 1998 published in the Assam Gazette dated 5th-June, 1998.

**8A. Liability of the husband or father for income of the wife or minor child.** The total agricultural income of any individual shall for the purpose of assessment include -

(a) so much of the total agricultural income of a wife (not living separately) or minor child of such individual as arises directly or indirectly-

- (i) from the ownership of the wife or of the minor child in an estate, tenure, tenancy or holding of which the husband or the father, as the case may be, is a joint owner;
  - (ii) from assets transferred directly or indirectly to the wife by such individual otherwise than for adequate consideration or in connection with an agreement to live apart;
  - (iii) from assets transferred directly or indirectly to minor child, not being a married daughter, by such individual otherwise than for adequate consideration.
- (b) so much of the total agricultural income of any person or association of persons as arises from assets transferred otherwise than for adequate consideration to the person or association of persons by such individual for the benefit of his wife or minor child or both.

**8B. Determination of agricultural income in relation to book profit of the assessee for the purpose of levy of agricultural income tax:**

Notwithstanding anything contained in any other provisions of this Act, in case of an assessee, being a company, which derives income from cultivation, manufacture and sale of tea, if the agricultural income tax payable under this Act on the sixty percent portion of agricultural income computed as per provisions of the Income Tax Act, 1961(Central Act 43 of 1961) is less than ten percent of the sixty percent of the book profit computed in the manner as referred to in section 115 JB of the Income Tax Act, 1961(Central Act 43 of 1961), sixty percent of such book profit shall be deemed to be the agricultural income tax under this Act of such assessee and the assessee shall be liable to pay agricultural income tax at the rate of eighteen percent of such agricultural income:

Provided that the State Government may, by notification in the Official Gazette, vary the rate of tax under this Act and on such notification being issued, the rate of tax shall be deemed to have been amended accordingly:

Provided further that the rate of tax to be specified or verified by the State Government shall not exceed thirty percentum.

**Amendment:** *In the principal Act, in section 8, after section 8A a new section 8B has been inserted vide Notification no. LGL.22/2002/124 Dated 12<sup>th</sup> February 2009 published in the Assam Gazette Extraordinary No. 55 Dated 12<sup>th</sup> February 2009.*

**Amendment:** *In the principal Act, in section 8B for the word "ten" appearing between the words "at the rate of" and "percent of such agricultural income" the word "eighteen" has been substituted vide Notification no. LGL.61/2009/31 Dated 7<sup>th</sup> September 2010 published in the Assam Gazette Extraordinary No. 61 Dated 7<sup>th</sup> September 2010.*

**Amendment:** *In the principal Act, in section 8B, the provisos has been inserted vide Notification no. LGL.61/2009/31 Dated 7<sup>th</sup> September 2010 published in the Assam Gazette Extraordinary No. 61 Dated 7<sup>th</sup> September 2010.*

**8C. Tax credit in respect of tax paid under section 8B.** (1) Where any amount of tax paid as per provisions of section 8B by an assessee, being a company which derives income from cultivation, manufacture and sale of tea, for any assessment year, then credit in respect of tax so paid shall be allowed to him in accordance with the other provisions of this section.

(2) The tax credit to be allowed under this section shall be the difference of the tax paid for any assessment year under section 8B and the amount of tax payable by the assessee on his agricultural income from the activity of cultivation, manufacture and sale of tea computed in accordance with the other provisions of this Act :

Provided that no interest shall be payable on the tax credit allowed under sub-section (1).

(3) The amount of tax credit determined under this section shall be carried forward and set off in accordance with the provision of sub-section (4) and (5) but each carry forward shall not be allowed beyond the three assessment year immediately succeeding the assessment year in which tax credit becomes allowable under sub-section (1).

(4) The tax credit shall be allowed set off in a year when tax becomes payable on the agricultural income from the activity of cultivation, manufacture and sale of tea computed in accordance with the provisions of this Act other than section 8B.

(5) Set off in respect of brought forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax on his agricultural income from the activity of cultivation, manufacture and sale of tea that would have been payable under the provision of section 8B for that assessment year.

(6) Whereas as a result of any proceeding, the amount of tax payable under this Act is reduced or increased, as the case may be, the amount of tax credit allowed under this section shall also be increased or reduced respectively.

**Amendment:** *In the principal Act, after section 8B a new section 8C has been inserted vide notification no.LGL.61/2009/4 Dated 1<sup>st</sup> September, 2009 published in the Assam Gazette Extraordinary No. 288 Dated 1<sup>st</sup> September, 2009.*

**9. Exemption of charitable trust.** (1) Any agricultural income derived from property held under a trust or other legal obligations wholly or partly for religious or charitable purposes shall, to the extent it is applied or finally set apart for the aforesaid purposes, not be liable income tax under this Act.

(2) In this section, "purposes of a charitable nature" include relief of the poor, education, medical relief, and advancement of any other object of general public utility.

**10. Exclusion of agricultural income of certain waqf.** All agricultural income of Muslim Trusts referred to in section 3 of the Musalman Wakf Validating Act, 1913, created before the commencement this Act, shall be excluded from the operation of this Act:

Provided that the share of a beneficiary under a trust under the aforesaid Act, of the description commonly known as Wakf-alal-aulad shall not be exempted and the basis of the taxation shall be the share of each beneficiary:

Provided further that if a beneficiary's income is assessable under the above-mentioned proviso, the Superintendent of Taxes or Agricultural income -tax Officer may require the Mutawalli to deduct the amount of tax from the payment to be made to the beneficiary and pay the same to the Superintendent of Taxes or Agricultural Income Income-tax Officer. On such requisition the Mutawalli shall be liable to pay the same.

**11. Assessment of a Hindu undivided or joint family. [Deleted]**

**12. Assessment of tax on land held for the benefit of several persons.** (1) Save as provided in sections 10, 13 and 14, if a person holds land from which

agricultural income is derived partly for his own benefit and partly for the benefit of beneficiaries or wholly for the benefit of a beneficiary or beneficiaries, agricultural income-tax shall be assessed on the total agricultural income derived from such land at the rate which would be applicable if such person had held the land exclusively for his own benefit and agricultural income-tax so payable shall be assessed on the person holding such land, and he shall be liable to pay the same.

(2) Any person holding such land shall be entitled before paying to any beneficiary the amount of agricultural income which such beneficiary is entitled to receive from the agricultural income derived from such land, to deduct the amount of agricultural income tax at the rate at which the agricultural income is or will be assessed under sub-section (1).

Explanation.- In this section "beneficiary" means a person entitled to a portion of the agricultural income derived from the land.

**13. Assessment of tax on common manager, receiver, etc.** Where any person holds land, from which agricultural income is derived, as a common manager appointed under any law for the time being in force or under any agreement or as receiver, administrator, or the like on behalf of persons jointly interested in such land or in the agricultural income derived therefrom, the aggregate of sums payable as agricultural income-tax by each person on the agricultural income derived from such land and received or receivable by him shall be assessed on such common manager, receiver, administrator or the like and he shall be deemed to be the assessee in respect of the agricultural income-tax so payable by each such person and shall be liable to pay the same.

**14. Court of Wards, etc.** In the case of agricultural income taxable under this Act, which is received by the Court of Wards, the Administrator General, or Official Trustee, the tax shall be levied upon and be recoverable from such Court of Wards, Administrator General or Official Trustee in the like manner and to the same amount as it would be leviable upon and recoverable from any person on whose behalf such agricultural income is received, and all the provisions of this Act shall apply accordingly.

**14A. Residuary provision for computation and recovery of tax in certain cases.** (1) In any case covered by sections 13 and 14 where any agricultural income or any part thereof is not specifically received on behalf of any one person, or where the individual shares of the persons on whose behalf they are received are indeterminate or unknown, the tax shall be levied and be recoverable at the rate applicable to the total amount of such income.

(2) Nothing contained in sections 13 and 14 shall prevent either the direct assessment of the person on whose behalf agricultural income therein referred to is received or the recovery from such person of the tax payable in respect of such income.

**15. Exemption in case of life insurances.** (1) (a) Agricultural income-tax shall not be payable by an assessee in respect of any sum paid by him out of his total agricultural income to effect an insurance on his own life or on the life of his wife or his child or children, or in respect of a contract for a deferred annuity on his own life or on life of his wife, or as a contribution to any provident fund to which the Provident Funds Act, 1925, applies:

Provided that agricultural income tax shall be payable on the remainder of the total agricultural income of such assessee at the rate which would have

been applicable if such deduction had not been made.

(b) Nothing in this sub-section shall be deemed to entitle an assessee, who is assessed to income-tax under the Income-tax Act 1961 (43 of 1961) as amended up-to-date, to claim a deduction in respect of any sum paid by him, as mentioned in clause (a), if such sum was exempted under section 15 of the said Act.

- (2) Where the assessee is a Hindu undivided or joint family there shall be exempted under sub-section (1) any sum paid to effect an insurance on the life of any male member of the family.
- (3) The aggregate of any sums exempted under this section shall not exceed one-sixth of the total agricultural income of the assessee.

**16. Carrying forward of loss of profits or gains.** (1) Where any assessee sustain a loss of profits or gains in any year under any of the items mentioned in sub-clauses (1) and (2) of clause (a) of section 2, he shall be entitled to have the amount of the loss set-off against his income, profits or gains under any other item in that year.

(2) Where any assessee sustains a loss of profits or gains any year being a previous year not earlier than the previous year for the assessment year ending on the 31st day March, 1940, the loss shall be carried forward to the following year and set-off against the profits or gains if any of the assessee from the agricultural income for that year and if it cannot be wholly so set-off the amount of loss not so set-off shall be carried forward to the following year and so on but no loss shall be carried forward for more than years :

Provided that if any assessee fails to file his return loss of profits or gains for any year in time in accordance with the provisions of sub-section (1) of section 19, his claim for carry-forward and set off of such loss against future income as per provisions of sub-section (1) or subsection (2) of this section shall not be entertained.

#### **Amendments**

Proviso to sub-section (2) of section 16 has been inserted w.e.f 1-4-1998 (effective from assessment year 1998-99) by Assam Act No. VI of published in the Assam Gazette dated 5th June 1998.

17. *Deleted.*