

FINANCE AND REVENUE DEPARTMENT.

THE FINANCE ACT, 1945.

[BURMA ACT NO. XX OF 1945.]

Rangoon, the 17th December 1945.

No.2.- The following Acts which were published in the Burma Gazette Extraordinary, dated the 8th October 1945, in Simla are republished for general information:-

WHEREAS it is expedient to fix rates of income-tax and super-tax, to amend the Burma Tariff Act, to fix a duty on salt manufactured in or imported into British Burma, to fix the excise duty on motor spirit and to fix maximum rates of postage under the Burma Post Office Act;

AND WHEREAS by Proclamation, dated the tenth day of December, 1942, the Governor of Burma has assumed to himself all powers vested by or under the Government of Burma Act, 1935(26 Geo.5, c.3), in the Legislature or in either Chamber thereof;

NOW THEREFORE, in exercise of the said powers, it is hereby enacted by the Governor of Burma as follows:-

PART I.

Preliminary.

1. Short title and commencement.- (1) This Act may be called **the Finance Act, 1945.**

(2) It shall come into force on the first day of October, 1945.

2. Definition of "accounting year."- In this Act, the expression "accounting year" means the period commencing on the first day of October, 1945, and ending with the thirtieth day of September, 1946.

PART II.

Income-tax and Super-tax.

3. Meaning of "total income."- For the purposes of this Part and of the rates imposed by Schedule I to this Act, the expression "total income" shall, subject to the provisions of section 13, be determined in accordance with the provisions of the Burma Income-tax Act.

4. Rates at which income-tax and super-tax are to be levied.- There shall be levied for the accounting year-

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

(b) super-tax, for the purposes of section 55 of the Burma Income-tax Act, at the rates specified in Part II of Schedule I

5. Meaning of "previous year" for purposes of assessment.- For the purpose of making any assessment for the accounting year, the previous year of an assessee under the Burma Income-tax Act and this Act shall be determined as follows:-

(a) in respect of income chargeable under the head "Salaries"- the previous year shall be deemed to be the period from the first day of April, 1945, to the thirtieth day of September, 1945;and

(b) in respect of income chargeable under any other head, the previous year shall be the previous year as defined in clause (11) of section 2 of the Burma Income-tax Act, but excluding therefrom any period before the first day of October, 1944; and clause(11) of section 2 of the Burma Income-tax Act shall be construed accordingly.

6. Amount of income-tax payable where portion of total income is exempt.- In making any assessment for the accounting year, where there is included in the total income of an assessee any income exempted from tax by or under the provisions of the Burma Income-tax Act, the income-tax payable by the assessee shall be an amount bearing to the total amount of the income-tax which would have been payable on the total income had no part of it been payable on the total income had no part of it been exempted the same proportion as the unexempted portion of the total income bears to the total income.

7. Taxation of income which includes salary.-

In making any assessment or refund for the accounting year, where the total income of an assessee includes any income chargeable under the head "Salaries", the income-tax or super-tax payable by an assessee shall be the sum or sums determined as under:-

(a) on that part of his total income which consists of income chargeable under the head "Salaries" an amount bearing to the amount of tax payable on a total income computed by adding to his total income the amount of salaries (excluding arrears of salary due prior to the first day of April 1945) paid to the assessee during the period commencing from the first day of October, 1945, and ending with the thirty-first day of March, 1946, the same proportion as that part bears to the total income so computed;

(b) on the other part, if any, of his total income an amount bearing to the amount of tax payable on his total income the same proportion as the said part bears to his total income:

Provided that in respect of income chargeable under the head "Salaries" under clause (a) of this section, the exemption as respects earned income admissible under section 13 shall in no case exceed one thousand rupees.

8. Exemption of salaries paid in arrears.- For the purpose of making deductions of income-tax and super-tax under sub-section (2) of section 18 of the Burma Income-tax Act during the accounting year any income representing salaries paid in arrears shall be excluded from the estimated income of the assessee for that year, and the income so excluded shall be deemed to be income received in the year in which the salary was due, and income-tax and super-tax thereon shall be deducted at source at the rates in force in the year in which such income shall be deemed by reason of the provisions of this section to have been received.

9. Mode of taxation of income which arose prior to 1st April 1945.- Any income being income chargeable under the head "Salaries" which accrued or arose or was received in the year which ended on the thirty-first day of March, 1945, shall be the subject of assessment or refund according to the rates in force in that year under the Burma Finance Act, 1943 (Burma XIII, 1943), and any proceeding for assessment or any claim for refund shall, notwithstanding anything contained in section 34 or section 50 of the Burma Income-tax Act, be deemed to be within time if the proceeding is commenced or the claim is made within the year ending on the thirtieth day of September, 1947, and nothing contained in section 12 of this Act shall apply to any such assessment or refund.

10. Amendments of Burma Income-tax Act.- For the purpose of making deductions of tax at source and of adjusting such deductions in proceedings for assessment or refund for the accounting year, or for any year prior to the accounting year, the Burma Income-tax Act shall be construed-
- (a) as if section 17 of the Act was omitted;
 - (b) as if in sub-section (2) of section 18 of the Act for the words "but not super-tax" the words "and super-tax" were substituted;
 - (c) as if in clause (c) of section 21 of the Act after the words "income-tax" the words "and super-tax" were inserted;
 - (d) as if in sub-section(1) of section 58 of the Act the figure "21" was deleted; and
 - (e) as if in sub-section (2) of section 58 of the Act after the word "sub-sections" the figures, letter and brackets "(2), (2A)"were inserted.
11. Definitions of certain expressions in the Burma Income-tax Act.- For the purposes of sub-section (2) of section 18 and section 48 of the Burma Income-tax Act, in their application to any deduction, assessment, or refund relative to the accounting year or to any year prior to the accounting year, the expressions "the rate applicable to the estimated income of the assessee", or "the rate applicable to his total income", or "the rate of income-tax applicable to his total income" mean the rate representing the average of the rates applicable to the total income of the assessee.
12. Time when and within which proceedings for assessment or refund may be taken.- (1) Notwithstanding anything contained in the Burma Income-tax Act, no proceeding for assessment or refund in respect of the accounting year shall be commenced before the first day of April, 1946, in cases where income chargeable under the head "Salaries" forms part of the total income of the assessee for the previous year.
- (2) In respect of any assessment or refund to be made for the accounting year, the Burma Income-tax Act shall be construed as if in sections 34, 35 and 50 thereof for the words "one year" the words "two years" were substituted.
13. Exemption of portion of earned income from assessment.- In making any assessment or deduction of tax for the accounting year income-tax shall not be payable by an assessee in respect of an amount equal to one-tenth of the earned income included in his total income, but not exceeding in any case two thousand rupees, and for the purposes of determining the rates at which income-tax (but not super-tax) is payable by the assessee for the accounting year his total income shall be deemed to be the real total income reduced by the said amount.
- For the purposes of this section "earned income "means any income of an assessee not being a company or a registered firm-
- (a) which is chargeable under the head "Salaries" ; or
 - (b) which is chargeable under the head "Professional earnings"; or
 - (c) which is chargeable under the head "business", where the business is carried on by the assessee or, in the case of a firm, where the assessee is a partner actively engaged in the conduct of the business; or
 - (d) which is chargeable under the head "Other sources" if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of his past services or the past services of any deceased person;
- and includes any such income which, though it is the income of another person, is deemed to be included in the assessee's income by the provisions of the Burma Income-tax Act, but does not include any such income which is exempt from tax under sub-section (2) of section 14 or section 60 of that Act.

PART III.**Customs and Excise duties on certain articles and Postal rates.**

14. Amendments to the Burma Tariff Act.- In the First Schedule to the Burma Tariff Act-

(i) in item 17, in the seventh column, for the word and figures “ March 31st, 1946” the word and figures “September 30th, 1946” shall be substituted; and

(ii) in item 27 (6), in the fourth column, for the word “Eleven” the word “Thirteen” shall be substituted.

15. Duty on salt manufactured in or imported into British Burma.- The provisions of section 7 of the Burma Salt Act shall, in so far as they enable the Governor to impose by a notification issued under that section a duty on salt manufactured in or imported by land into British Burma, be construed as if for the accounting year they imposed such duty at the rate of rupees seven per 100 viss equivalent to 360 pounds avoirdupois of salt manufactured in or imported by land into British Burma, and such duty shall, for the purposes of the said Act, be deemed to have been imposed by notification made under that section.

16. Additional duty on imported salt.- For the accounting year there shall be levied and collected, in addition to any duty of customs imposed by or under any law for the time being in force, an additional duty of customs on salt imported into any port in British Burma as follows:-

Salt imported from countries other than British India	15 per centum of the customs duty.
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Salt imported from British India	(7(1/2))per centum of the customs duty.
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17. Duty on motor spirit.- Notwithstanding anything contained in sub-section (1) of section 3 of the Motor Spirit Duties Act, or in any other law for the time being in force, for the accounting year the duty on motor spirit shall be levied at the rate of thirteen annas per imperial gallon.

18. Fixation of postal rates.- For the accounting year Schedule II to this Act shall be inserted in the Burma Post Office Act as the first schedule to that Act.

19. Repeal of Burma Finance Act, 1943.- The Burma Finance Act, 1943(Bur. XIII, 1943), is hereby repealed.

In the name of His Majesty I assent to this Act.

R.H.DORMAN-SMITH,
Governor of Burma.

SIMLA, the 29th September 1945.

[ATTACH LIST 1] 01 SCHEDULE I. (See section 4.) PART I. Rates of Income-tax.

[ATTACH LIST 2] 02 SCHEDULE II. Schedule to be inserted in the Burma Post Office Act. (See section 18.)