



## The Assam Agricultural Income Tax Act, 1939

Act 9 of 1939

**Keyword(s):**

Agricultural Income, Agricultural Income-Tax, Inspector of Taxes, Senior Superintendent of Taxes, Firm, Partner, Partnership, Landlord, Total Agricultural Income

Amendments appended: 10 of 2003, 20 of 2004, 19 of 2005, 2 of 2008, 8 of 2009, 24 of 2009

**DISCLAIMER:** This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

**THE ASSAM AGRICULTURAL  
INCOME-TAX ACT, 1939  
(Assam Act IX of 1939)**

**An  
Act  
*to provide for the imposition of a tax on agricultural income***

WHEREAS it is expedient to impose a tax on agricultural income arising from lands situated in the State of Assam:

It is hereby enacted as follows: -

CHAPTER I

Preliminary

1. Short title. (1) This Act may be called the Assam Agricultural Income-tax Act, 1939.

(2) It shall take effect from the 1st of April 1939.

Historical Backgrounds:

In the India's first Income Tax Act of 1860, agricultural income was made taxable like any other source of income and no distinction was made between agricultural and non-agricultural income for taxation purpose.

In 1886, when a regular Income Tax Act was passed agricultural income was exempted from Income tax.

The Government of India Act of 1935, provided for the distribution of legislative powers between the federal legislature and the provincial legislature and by enumerating the tax on agricultural income in the provincial list under entry 41 of the Seventh Schedule, it was made a State subject.

The Constitution of India retained the same provision in entry 46 of List II - State List, in its Seventh Schedule.

Enacted in the year of 1939, the Assam Agricultural Income-tax Act has undergone several amendments from time to time.

**Extents: -**

This Act covers agricultural incomes arising from lands situated in the State of Assam.

2. Definitions. - In this Act, unless there is anything repugnant in the subject or context -

- (a) "Agricultural income" means -
- (1) Any rent or revenue derived from land which is used for agricultural purposes, and is either assessed to land revenue in Assam or subject to a local rate assessed and collected by officers of the Government as such;
  - (2) Any income derived from such land by –
    - (i) agriculture, or
    - (ii) the performance by a cultivator or receiver of rent in kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or
    - (iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, in respect of which no process has been performed other than a process of the nature described in sub-clause (ii);

Explanation. - Agricultural income derived from such land by the cultivation of tea means that portion of the income derived from the cultivation, manufacture and sale of tea as is defined to be agricultural income for the purposes of the enactments relating to the Indian Income-tax;

- (b) "Agricultural Income-tax" means the tax payable under this Act;
- (bb) "Inspector of Taxes or Agricultural Income-tax Inspector" means person appointed to be an Inspector of Taxes or Agricultural Income-tax Inspector under sub-section (2) of section 18;
- (c) "Senior Superintendent of Taxes", "Superintendent of Taxes" or "Agricultural Income-tax Officer" means a person appointed to be a Superintendent of Taxes or Agricultural Income-tax Officer under sub-section(2) of section 18;
- (d) (1) Save as otherwise provided in this section, 'previous year' for the purpose of this Act means the financial year immediately preceding assessment year:

Provided that in the case of agricultural income derived from a source newly coming into existence in the said financial year, the previous year

shall be the period beginning with the date on which the source of income newly comes into existence and ending in the same financial year.

(2) "Previous Year" in relation to the assessment year commencing on the first day of April, 1989, means the period which begins with the date immediately following the last day of the previous year relevant to the assessment year commencing on the first day of April, 1988 and as on the 31<sup>st</sup> day of March, 1989:

Provided that where the assessee has adopted more than one period as the "Previous Year" in relation to the assessment year commencing on the 1st day of April, 1988 for different sources of his income, the "previous year" in relation to the assessment year commencing on the 1st day of April 1989 shall be reckoned separately in the manner aforesaid in respect of each such source of income, and the longer or the longest of the periods so reckoned shall be the previous year for the said assessment year.

(3) Where the previous year in relation to the assessment year commencing on the 1st day of April, 1989 referred to in sub-clause (2) above exceeds a period of 12 months, hereinafter referred to as the "transitional previous year", the provisions of this Act shall apply subject to the modifications specified in sub-clause (4) and (5) of this clause.

(4) Where the assessee's agricultural income for a period of thirteen months or more is included in his total agricultural income for the transitional previous year the allowance in respect of depreciation admissible under the provisions of this Act shall be increased by multiplying it by a fraction of which the numerator is the number of months in the transitional previous year and the denominator is twelve.

(5) The tax chargeable on the total agricultural income of the transitional previous year shall be calculated at the average rate on the amount obtained by multiplying such total agricultural income by a fraction of which the numerator is twelve and the denominator is the number of months in the transitional previous year as if the resultant amount were the total agricultural income.

(6) The State Government may if it considers it desirable or expedient so to do for avoiding genuine hardship, by general or special order, grant appropriate relief in any case or class of cases where the transitional previous year is longer than twelve months;

(e) "Assessee" means a person by whom agricultural income-tax is payable;

(f) "Deputy Commissioner of Taxes" means a person appointed to be a Deputy Commissioner of Taxes under sub-section (2) of section 18;

(ff) "Deputy Commissioner of Taxes (Appeals)" means a person appointed to be a Deputy Commissioner of Taxes (Appeals), under sub-section (2) of section 18;

(g) "Board" means the Assam Board of Revenue constituted under section 3 of the Assam Board of Revenue Act, 1959 (Assam Act VIII of 1960) or under any statutory modification or re-enactment thereof;

(h) "Commissioner" means a person appointed to be a Commissioner of Taxes under sub-section (2) of section 18;

(i) "Company" means a company as defined in the Indian Companies Act, 1956, or formed in pursuance of an Act of Parliament of the United Kingdom or of Royal Charter, or Letters Patent, or of an Act of the Legislature of a British possession, and includes any foreign association carrying on business in India whether incorporated or not, and whether its principal place of business is situated in India or not, which the Commissioner may, by general or special order, declare to be Company for the purposes of this Act;

(j) "assessment year" means and shall be deemed always to have meant the period of twelve months commencing on the 1st day of April every year;

(k) "firm", "Partner" and "Partnership" have the same meanings respectively as in the Indian Partnership Act, 1932 (Act IX of 1932), provided that the expression "Partner" includes any person who being a minor has been admitted to the benefit of Partnership;

(l) "landlord" has the same meaning as in the Assam (Temporarily Settled Districts) Tenancy Act, 1935 (Assam Act III of 1935); Sylhet Tenancy Act, 1936 (Assam Act IX of 1936); Goalpara Tenancy Act, 1929 (Assam Act I of 1929);

(m) "Person" includes –

(i) An individual,

(ii) A Hindu undivided family,

(iii) a company,

(iv) a firm,

(v) an association of persons or body of individuals, whether incorporated or not,

- (vi) a local authority, and
- (vii) every artificial juridical person, not falling within any of the preceding sub-clauses;
- (n) "Prescribed" means prescribed by Rules made under this Act;
- (o) "Principal Officer" used with reference to any company or association means: -
  - (i) The secretary, treasurer, manager or agent of the company or association, or
  - (ii) Any person connected with the company or association upon whom the Superintendent of Taxes or Agricultural Income-tax Officer has served a notice of his intention of treating him as principal officer thereof;
- (oa) "Schedule" means the schedule to this Act; and
- (p) "Total agricultural income" means the aggregate of amounts of agricultural income referred to in clause (a) of section 2 and determined in the manner laid down in or under this Act.

ASSAM ACT NO. X OF 2003.

(Received the assent of the Governor on 3rd May, 2003)

THE ASSAM AGRICULTURAL INCOME TAX (AMENDMENT) ACT, 2003

AN  
ACT

further to amend the Assam Agricultural Income Tax Act, 1939.

**Preamble.** Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing; **Assam Act IX of 1939.**

It is hereby enacted in the Fifty-fourth Year of the Republic of India as follows:—

**Short title, extent and commencement.** 1. (1) This Act may be called the Assam Agricultural Income Tax (Amendment) Act, 2003.

(2) It shall have the like extent as the principal Act.

(3) It shall come into force at once.

**Amendment of section 18.** 2. In the principal Act, in section 18, in sub-section (1), in clause (f), for the words "senior Superintendent of Taxes", the words "Assistant Commissioner of Taxes", shall be substituted.

**Amendment of section 22.** 3. In the principal Act, in section 22-  
(i) in sub-section (1), the words "or the Assistant Commissioner of Taxes" shall be deleted and in between the words "Deputy Commissioner of Taxes or" and "the Commissioner of Taxes", the words "the Joint Commissioner of Taxes or the Additional Commissioner of Taxes or" shall be inserted.

(ii) in sub-section (2), the words "or the Assistant Commissioner of Taxes" shall be deleted and in between the words "the Commissioner of Taxes or" and "the Deputy Commissioner of Taxes", the words "the Additional Commissioner of Taxes or the Joint Commissioner of Taxes or" shall be inserted.

**Amendment of section 35B.** 4. In the principal Act, in section 35B, in sub-section (1), for the words "seventy five", the words "ninety" shall be substituted.

**Amendment of section 43.** 5. In the principal Act, in section 43, in sub-section (2), in clause (a), for the words "the Deputy Commissioner of Taxes" and "the Assistant Commissioner of Taxes", the words "the Joint Commissioner of Taxes" and "the Deputy Commissioner of Taxes" respectively shall be substituted.

ARVIND DAVE  
GOVERNOR OF ASSAM

K. D. PHUKAN  
Secretary to the Government of Assam  
Legislative Department.

## ASSAM ACT NO. XX OF 2004

(Received the assent of the Governor on 4th September, 2004)

## THE ASSAM AGRICULTURAL INCOME TAX (AMENDMENT) ACT, 2004

AN

ACT

further to amend the Assam Agricultural Income Tax Act, 1939.

Preamble

Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing ;

Assam  
Act. IX  
of 1939.

It is hereby enacted in the Fifty-fifth Year of Republic of India as follows :-

Short title,  
extent and  
commence-  
ment.

1. (1) This Act may be called the Assam Agricultural Income Tax (Amendment) Act, 2004.

(2) It shall have the like extent as the principal Act.

(3) It shall be deemed to have come into force on the first day of April, 2004.

Substitution  
of existing  
Schedule.

2. In the principal Act, for the existing Schedule, the following Schedule shall be substituted, namely :-

## "SCHEDULE

[( See section )2(oa), 3 and 6]

A. In the case of every company :-

(a) The total income of which does not exceed Rs. 1,00,000.00 (one lakh) on the whole of the total income.

Thirty paise in the rupee.

(b) The total income of which exceeds Rs. 1,00,000.00 (one lakh) on the whole of the total income.

Thirty five paise in the rupee.

B. In the case of persons other than companies :-

- (a) On the first thirty thousand rupees of total agricultural income. Nil.
- (b) On the next twenty thousand rupees of total agricultural income. Twenty paise in the rupee.
- (c) On the next fifty thousand rupees of total agricultural income. Thirty paise in the rupee.
- (d) On the balance of the total agricultural income. Thirty five paise in the rupee."

M. K. DEKA,  
Commissioner & Secy. to the Govt. of Assam,  
Legislative Department, Dispur.

1436 THE ASSAM GAZETTE, EXTRAORDINARY, MAY 6, 2005

ASSAM ACT NO. XIX OF 2005

(Received the assent of the Governor on 28th April, 2005)

THE ASSAM AGRICULTURAL INCOME TAX (AMENDMENT) ACT, 2005

AN

ACT

further to amend the Assam Agricultural Income Tax Act, 1939.

Preamble.

Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

Assam  
Act IX  
of  
1939.

It is hereby enacted in the Fifty-sixth Year of Republic of India as follows:-

Short title, extent and commencement.

1.(1) This Act may be called the Assam Agricultural Income Tax (Amendment) Act, 2005.

(2) It shall have the like extent as the principal Act.

(3) It shall be deemed to have come into force on the first day of April, 2005.

insertion of a new section 3A

2. In the principal Act, after section 3, a new section 3A shall be inserted, namely:-

"3A. Notwithstanding anything contained in the provisions of this Act, the tea-gardens owned by the Assam Tea Corporation Limited shall not be liable to pay tax under this Act on the total agricultural income of the previous year:

Provided that this shall be effective on and from 1<sup>st</sup> April, 2005 for a period of five years only:

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

M. K. DEKA,  
Commissioner & Secy. to the Govt. of Assam,  
Legislative Department, Dispur.

পঞ্জীভুক্ত নম্বৰ - ৭৬৮/৯৭

Registered No. 768/97

অসম



ৰাজপত্ৰ

सत्यमेव जयते

# THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

নং ৪২ দিশপুৰ, মঙ্গলবাৰ, ২৫ মাৰ্চ, ২০০৮, ৫ চ'ত, ১৯৩০ (শক)  
No. 82 Dispur, Tuesday, 25th March, 2008, 5th Chaitra, 1930 (S.E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

## NOTIFICATION

The 24th March, 2008

No. LGL. 22/2002/111. -- The following Act of the Assam Legislative Assembly which received the assent of the Governor is hereby published for general information.

ASSAM ACT NO. II OF 2008

(Received the assent of the Governor on 19th March, 2008)

**THE ASSAM AGRICULTURAL INCOME TAX (AMENDMENT) ACT, 2008**

AN

ACT

Appropriation

3. The sums authorized to be appropriated by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year ending on the Thirty-first Day of March, 2009.

further to amend the Assam Agricultural Income Tax Act, 1939.

**Preamble.**

Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

**Assam  
Act IX  
of  
1939.**

It is hereby enacted in the Fifty-ninth Year of Republic of India as follows:-

**Short title, extent  
and commence-  
ment.**

1.(1) This Act may be called the Assam Agricultural Income Tax (Amendment) Act, 2008.

(2) It shall have the like extent as the principal Act.

(3) It shall come into force on the first day of April, 2008.

**Amendment of  
section 8.**

2. In the principal Act, in section 8, in sub-section (5),---

(i) for the words, brackets and figure "50(fifty) paise", appearing between the words "a deduction at the rate of" and "for every kilogram of tea", the words, brackets and figure "1(one) rupee" shall be substituted;

(ii) for the existing first proviso, the following shall be substituted, namely:---

"Provided that this deduction shall be effective on and from 1<sup>st</sup> April, 2008 for a period of one year only:".

**MOHD. A. HAQUE,**  
Secretary to the Government of Assam,  
Legislative Department.

অসম



ৰাজপত্ৰ

# THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

নং 55 দিশপুৰ, বৃহস্পতিবাৰ, 12 ফেব্ৰুৱাৰী, 2009, 23 মাঘ, 1930 (শক)  
No. 55 Dispur, Thursday, 12th February, 2009, 23rd Magha, 1930 (S.E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

## NOTIFICATION

The 12th February, 2009

**No.LGL.22/2002/124:--** The following Act of the Assam Legislative Assembly which received the assent of the Governor is hereby published for general information.

ASSAM ACT NO. VIII OF 2009

(Received the assent of Governor on 9th February 2009)

**THE ASSAM AGRICULTURAL INCOME TAX  
(AMENDMENT) ACT, 2009**

in the State of Assam.

- (2) The details regarding name, location, jurisdiction and infrastructure of the said University are mentioned in the Schedule appended to this Act.

AN  
ACT

further to amend the Assam Agricultural Income Tax Act, 1939.

## Preamble.

Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Sixtieth Year of Republic of India as follows:-

## Short title, extent and commencement.

1.(1) This Act may be called the Assam Agricultural Income Tax (Amendment) Act, 2009.

(2) It shall have the like extent as the principal Act.

(3) It shall come into force on the first day of April, 2009.

## Insertion of new section 8B.

2. In the principle Act, after section 8A, a new section 8B shall be inserted, namely:—

“Determination of agricultural income in relation to book profit of the assessee for the purpose of levy of agricultural income tax.

8B. Notwithstanding anything contained in any other provision 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 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, sixty percent of such book profit shall be deemed to be the agricultural income for the purpose of levy of agricultural income tax under this Act of such assessee and the assessee shall be liable to pay agricultural income tax at the rate of ten percent of such agricultural income.”

MOHD. A. HAQUE,  
Secretary to the Government of Assam,  
Legislative Department, Dispur.

স্মারক নম্বৰ - ৭৬৮/৯৭

২০০৭

Registered No. 768/97

অসম



ৰাজপত্ৰ

# THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্ব দ্বাৰা প্ৰকাশিত

PUBLISHED BY THE AUTHORITY

নং ২৪৪ দিশপুৰ, মঙ্গলবাৰ, ১ চেপ্তেম্বৰ, ২০০৭, ১০ ভাদ, ১৯৩১ (শক)  
No. 288 Dispur, Tuesday, 1st September, 2009, 10th Bhadra, 1931 (S.E.)

GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

LEGISLATIVE DEPARTMENT :: LEGISLATIVE BRANCH

NOTIFICATION

The 1st September, 2009

No.LGL.61/2009/4 :-- The following Act of the Assam Legislative Assembly which received assent of the Governor is hereby published for general information.

ASSAM ACT NO. XXIV OF 2009

(Received the assent of Governor on 26th August, 2009)

THE ASSAM AGRICULTURAL INCOME TAX  
(SECOND AMENDMENT) ACT, 2009

AN

ACT

further to amend the Assam Agricultural Income Tax Act, 1939.

**Preamble.**

Whereas it is expedient further to amend the Assam Agricultural Income Tax Act, 1939, hereinafter referred to as the principal Act, in the manner hereinafter appearing;

It is hereby enacted in the Sixtieth Year of Republic of India as follows:-

**Short title, extent and commencement.**

1.(1) This Act may be called the Assam Agricultural Income Tax (Second Amendment) Act, 2009.

(2) It shall have the like extent as the principal Act.

(3) It shall be deemed to have come into force on and from the first day of April, 2009.

**Insertion of new section 8C.**

2. In the principle Act, after section 8B, a new section 8C shall be inserted, namely:—

**“Tax credit in respect of tax paid under section 8B.**

8C.(1) Where any amount of tax is paid as per provision 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 such 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 it 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 and the tax 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 accordingly."

**MOHD. A. HAQUE,**  
Secretary to the Govt. of Assam,  
Legislative Department, Dispur.