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2nd Session 1966-67



Rice Subsidy Tax Act, No. 13 of 1967

Date of Assent : June 13, 1967

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Rice Subsidy Tax Act, No. 13 of 1967

L. D.—O. 54/66.

AN ACT TO LEVY AND RECOVER A TAX FROM PERSONS WHOSE ASSESSABLE INCOME FOR A YEAR OF ASSESSMENT WITHIN THE MEANING OF THE INLAND REVENUE ACT, No. 4 OF 1963, IS TWELVE THOUSAND RUPEES AND OVER IN RESPECT OF RICE TO BE SUPPLIED TO SUCH PERSONS AND THE MEMBERS OF THEIR FAMILIES UNDER THE REGULATIONS MADE UNDER THE FOOD CONTROL ACT FOR THE RELEVANT PERIOD CORRESPONDING TO THAT YEAR OF ASSESSMENT, AND FOR MATTERS CONNECTED THEREWITH.

[Date of Assent: June 13, 1967]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Rice Subsidy Tax Act, No. 13 of 1967.

Short title.

2. This Act shall apply to every individual whose assessable income as determined for the purposes of the Inland Revenue Act, No. 4 of 1963, for the year of assessment which corresponds to the relevant period is twelve thousand rupees and over. Every such individual shall hereafter in this Act be referred to as a "person liable to the tax".

Application of the Act.

3. (1) Subject as hereinafter provided there shall be charged from every person liable to the tax for each relevant period a tax called the Rice Subsidy Tax (in this Act referred to as "the tax") calculated at such rate as the Minister may, by notification published in the *Gazette*, determine in respect of the cost of the rice to which such person and other individuals, who for the purposes of the Inland Revenue Act, No. 4 of 1963, are deemed to be members of the family of which such person is deemed to be the head, is or are entitled to be supplied under the Regulations made under the Food Control Act:

Charge of the Rice Subsidy Tax.

Provided that where the Assessor is satisfied that such person or any individual who is deemed to be a member of his family for the purposes of the Inland Revenue Act, No. 4 of 1963,—

(a) has not been issued a ration book under the aforesaid Regulations for the supply of rice for the relevant period, or

(b) has surrendered to the Food Controller or other officer authorized by the Food Controller the ration book issued for the relevant period,

then, the person liable to the tax shall not be required to pay the tax in respect of the rice to be supplied on that ration book.

(2) A certificate issued by the Food Controller or other officer authorized by the Food Controller shall be conclusive proof of the matters specified in paragraph (a) or paragraph (b) of the proviso to sub-section (1).

Commissioner responsible for the collection and recovery of the tax.

4. The Commissioner shall be the authority responsible for the collection and recovery of the tax for each relevant period.

Assessor to give notice of assessment to person liable to the tax.

5. The Assessor shall give notice in writing of the assessment of the tax payable for the relevant period to a person liable to the tax and such person shall pay the amount of the tax specified in such notice.

Assessor may require the tax to be paid with the tax payable under the Inland Revenue Act, No. 4 of 1963.

6. Notwithstanding anything in section 5, the Assessor may by notice in writing require a person by whom the tax is payable for any relevant period to pay the tax together with the tax payable by such person under the Inland Revenue Act, No. 4 of 1963, for the year of assessment corresponding to such relevant period or any other year of assessment as may be directed in the notice.

Reduction of the tax in the event of the surrender of the coupons of the ration book for a part of the relevant period and refund of any amount paid as tax in excess of the amount properly chargeable.

7. Where any person liable to the tax furnishes proof to the Assessor at any time after he has received the notice of assessment of the tax payable by him for any relevant period that he or any individual, who for the purposes of the Inland Revenue Act, No. 4 of 1963, is deemed to be a member of his family, has surrendered to the Food Controller or other officer authorized by the Food Controller the coupons of the ration book relating to a part of that period, then, the tax payable under section 3 for that period shall be reduced by such amount as will be equivalent to the cost of the rice which will not be supplied on that ration book for that part of that period, and accordingly the person liable to the tax who has paid as tax an amount in excess of the amount with which he was properly chargeable for that period shall be entitled to have refunded the amount so paid in excess.

8. (1) The provisions of sub-sections (1), (5) and (6) of section 106 of the Inland Revenue Act, No. 4 of 1963, shall apply as if such provisions were provisions of this Act and as if—

Provision regarding the payment of the tax.

(a) in sub-section (1) of that section—

(i) there were substituted, for the words “ the income tax, wealth tax or gifts tax ”, the words “ the tax ”; and

(ii) there were omitted the words “ or, where such tax or instalment thereof is payable by more than one person or by a partnership, then each of such persons or each partner in the partnership, ”; and

(b) for sub-section (6) of that section, there were substituted the following:—

“ (6) Where any tax in default is reduced under the provisions of section 7 of this Act the sum for the purposes of sub-section (5) shall be calculated on the tax as so reduced.”.

(2) The provisions of section 107 of the Inland Revenue Act, No. 4 of 1963, shall apply as if such provisions were provisions of this Act and as if, for the expression “ income tax or wealth tax or income tax and wealth tax ”, wherever that expression occurs in that section, there were substituted the expression “ the tax ”.

9. The provisions of Chapter XIV of the Inland Revenue Act, No. 4 of 1963, shall apply as if they were provisions of this Act, subject to the following modifications:—

Provision regarding recovery of the tax.

(1) in section 108, for the words “ income tax, wealth tax or gifts tax ”, there were substituted the words “ the tax ”;

(2) in section 109,—

(a) in sub-section (1), in paragraph (iii) of that sub-section—

(i) for the words “ one year of assessment ”, there were substituted the words “ one relevant period ”, and

- (ii) for the words "for one year only," there were substituted the words "for one relevant period only," and
- (b) in sub-section (2), for the words "one complete year of assessment", there were substituted the words "one relevant period";
- (3) in section 113, for the words "income tax, wealth tax or gifts tax", there were substituted the words "the tax";
- (4) in section 115, for the words "any income tax, wealth tax or gifts tax", there were substituted the words "the tax"; and
- (5) the provisions of section 116 were omitted.

Power of
Assessor to
require returns
or information
for the purposes
of this Act.

10. (1) An Assessor may, by notice in writing to any person liable to the tax, require such person to furnish within such time as may be specified in the notice such returns or other information as may be necessary for the purposes of this Act.

(2) Where any person fails to comply with the requirements of a notice under sub-section (1), or furnishes any return or information which to the knowledge of such person is untrue or incorrect, such person shall be guilty of an offence and shall on conviction after summary trial before a Magistrate be liable to pay a fine not exceeding one thousand rupees or to imprisonment of either description for a term not exceeding six months, or to both such fine and imprisonment.

Interpretation.

11. (1) In this Act, unless the context otherwise requires—

"Assessor" shall have the same meaning as in the Inland Revenue Act, No. 4 of 1963;

"Commissioner" means the Commissioner of Inland Revenue and includes a Deputy Commissioner of Inland Revenue and an Assistant Commissioner of Inland Revenue specially authorized by the Commissioner to act on his behalf;

“ ration book ” means a ration book issued under the Food Control Regulations made under the Food Control Act for the purpose of procuring rice;

“ relevant period ” means the period commencing on December 19, 1966, and ending on September 30, 1967, and any subsequent period of twelve months commencing on the first day of October;

“ the year of assessment corresponding to the relevant period ” means—

(i) in respect of the first-mentioned relevant period, the year of assessment commencing on April 1, 1966, and

(ii) in respect of a subsequent relevant period, the subsequent period of twelve months commencing on the first day of April.

(2) Where in any family of a person liable to the tax there is included an individual who is in receipt of occupational income within the meaning of the Inland Revenue Act, No. 4 of 1963, as amended by Act No. 18 of 1965, no account shall be taken of such individual for the purpose of determining the tax payable by such person.

(3) The power of the Assessor under section 5 to make an assessment of the tax includes the power to make a revised assessment of the tax.

(4) Where under the provisions of the Food Control Regulations made under the Food Control Act paddy instead of rice is issued on a ration book to a person liable to the tax or other member of his family, then for the purposes of this Act the expression “ cost of the rice ” shall be deemed to mean “ cost of the paddy ”.