



Government of India Act 1935

1935 CHAPTER 2

PART VII

FINANCE, PROPERTY, CONTRACTS AND SUITS.

CHAPTER I

FINANCE.

Miscellaneous Financial Provisions.

155 Exemption of Provincial Governments and Rulers of Federated States in respect of Federal taxation.

- (1) Subject as hereinafter provided, the Government of a Province and the Ruler of a Federated State shall not be liable to Federal taxation in respect of lands or buildings situate in British India or income accruing, arising or received in British India :

Provided that—

- (a) where a trade or business of any land is carried on by or on behalf of the Government of a Province in any part of British India outside that Province or by a Ruler in any part of British India, nothing in this subsection shall exempt that Government or Ruler from any Federal taxation in respect of that trade or business, or any operations connected therewith, or any income arising in connection therewith, or any property occupied for the purposes thereof;
- (b) nothing in this subsection shall exempt a Ruler from any Federal taxation in respect of any lands, buildings or income being his personal property or personal income.
- (2) Nothing in this Act affects any exemption from taxation enjoyed as of right at the passing of this Act by the Ruler of an Indian State in respect of any Indian Government securities issued before that date.