

I N C O M E - T A X

(IN RELATION TO ACCOUNTS)

BY

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Fourth Revised & Enlarged Edition

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PREFACE TO THE FIRST EDITION.

When, in March 1918, the various amendments of the Law relating to Income-Tax were consolidated into the one Act of 1918, I thought it desirable to bring out a work on the subject, from accountancy as well as legal points of view, inasmuch as no book existed at that time to help the taxpayer in arriving at a correct estimate of his Income or Profits liable to Income and Super-Taxes.

It is, therefore, hoped that this little book may prove useful to Businessmen, Manufacturers, Lawyers, Tradesmen, Professional men, Landlords, Employees and others, as affording in a concise and clear manner a general idea of the important points requiring their attention before paying Income-tax, Super-tax and Excess Profits Duty. A study of the book will enable them to record the particulars of such taxes more clearly in their books, to fill up the legal Annual Returns (Statements required by the Law relating to Income, Super and Excess Profits Tax) more accurately, to see that they get full benefit of the rights and reliefs to which they are legally entitled, to make claims for the refund of tax in the right direction, and, in short, to satisfy themselves that they are not over-assessed. The book may also prove of great use to Accountant Students, intending to practise as Professional Accountants and Auditors.

The manuscript of the first portion of the book relating to Income and Super-Tax was ready by September last, but I was waiting to see if any change was brought about in the Super-Tax Act, which seemed probable at that time, and also to get more detailed particulars of the Excess Profits Duty. Special pains have been taken to make this little book as clear, concise and practical as possible, but, as its subject matter is a technical one, I shall feel obliged if I am informed of any errors that may have crept into the book, so that they may receive my attention when preparing a second edition.

*373, Hornby Road, Fort,
Bombay, 13th February 1919.*

F. R. M.

EDITOR'S PREFACE TO THE FOURTH EDITION.

The number of Editions which Mr. Merchant's work on the law of Income-Tax has already reached is a clear index of its popularity and usefulness. The success of the book is due to the helpful way in which it elucidates numerous intricate aspects of the law. It solves the problems confronting the Income-Tax practitioner and the tax-payer alike. The illustrations given by Mr. Merchant have proved no less valuable than his explanations in making clear the meaning and application of the various provisions of the Act. The responsible position which the Author holds in the Income-Tax Department has in itself afforded a guarantee of the trustworthy character of the work.

This new Edition of the book, which I have been privileged to issue, has been brought up to date. Opportunity has been taken to recast the text thoroughly having regard to current practice. I have given a number of fresh illustrations with particular reference to Hindu Undivided Family, Non-Residents, Temporary Residents, Deceased Persons, Refund of Tax and other typical cases. I have made no attempt to quote decided cases, as, without a full explanation of the exact facts, a bare statement of the judgment is frequently useless and misleading. I have sought to enhance the value of the treatise by appending a brief Digest of important cases bearing on the law of Income-Tax. A publication of this size naturally precludes my giving an elaborate Digest.

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