

## THE INCOME TAX (DOUBLE TAXATION RELIEF)

## RULES, 1956

(Passed under Council Order No. 139/56 dated 26-3-1956).

In exercise of the powers conferred by section 49 of the Income

Tax Act 1991 Bikrami (Act No. IX of 1991) the Azad Jammu and Kashmir Government is pleased to make the following rules for the granting of relief in respect of Income Tax accruing or arising outside the taxable territory :-

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364

(a) These rules may be cited as the Income Tax (Double Taxation Relief) Rules, 1956.

(b) These rules shall extend to the whole of Azad Kashmir Territory and shall come into effect retrospectively from 1st day of April 1952.

(a) The expression 'State Income Tax' means Income Tax in accordance with the provisions of the Jammu and Kashmir Income Tax Act and 'State rate of Tax' means the rate determined by dividing the amount of State Income Tax after deduction of any relief under the other provisions of the Act, but before the deduction of any relief due under this section, by the total income.

(b) The expression 'rate of tax of the said country' means income tax actually paid in the said country in accordance with the corresponding laws of the said country after deduction of all reliefs due, but before deduction of any relief due in the said country in respect of double taxation, divided by the whole amount of income assessed in the said country.

If any person, who is resident in the taxable territory in any year, proves that in respect of any income which has accrued or arisen to him during that year without the taxable territory and which is not deemed to have accrued or arisen in the taxable territory, he has paid, in any country with which there is no reciprocal arrangement for relief or the avoidance of double taxation, income-tax, by deduction of or otherwise, under the law in force in that country he shall be entitled to the deduction from the State income Tax payable by him of a sum equal to the tax calculated on such doubly taxed income tax at the state rate of tax or the rate of tax of the said country whichever is the lower.

Explanation:- The expression 'taxable territory' means the territory for the time being known as Azad Jammu & Kashmir.