

Commissioner of Income-tax, U.P. v. Gappumal Kanhaiya Lal

Civil Appeal No. VI (6) of 1949

[1950] SCR 563 | 1950-05-26

Historical property-income deduction for statutory annual municipal-tax charges.

Indian Income-tax Act 1922, section 9(1)(iv) | United Provinces Municipalities Act 1916, sections 128, 149, 177

Four-judge bench | Saiyid Fazl Ali J. | M. Patanjali Sastri J. | Mehr Chand Mahajan J. | B.K. Mukherjea J.

Historical statutory scope

Historical 1922 Act wording and AY 1939-40 only; no present-law clearance. Distinct docket and disposition from New Piecegoods despite overlapping reporter page 563.

01 FACTS OF THE CASE

The Revenue appealed against the Allahabad High Court's 31 August 1944 decision on a section 66 reference for AY 1939-40. Of four referred questions, only the two concerning municipal house-tax and water-tax paid by the owner as lessor were in issue: could they be deducted as annual charges from the property's bona fide annual value?

Source: [Primary report: SCR 564 / PDF 2](#)

02 DISCUSSION BY THE HON'BLE COURT

The United Provinces Act authorised taxes on annual property value, imposed liability on the owner/lessor in the relevant circumstances and made sums due a first charge subject to land revenue. Those provisions were substantially similar to the Bombay provisions considered in the separately delivered New Piecegoods Bazar judgment. The Court applied that judgment's construction of an annual charge not being a capital charge.

Source: [Primary report: SCR 565 / PDF 3](#)

03 JUDICIAL DECISION

The Revenue's appeal was dismissed with costs. The High Court had correctly answered both relevant deduction questions affirmatively.

Source: [Primary report: SCR 565 / PDF 3](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee: the municipal house-tax and water-tax qualified for the historical section 9(1)(iv) allowance.

Source: [Primary report: SCR 564-565 / PDF 2-3](#)

05 AKHB REVIEW POINT

For the historical provision, identify the local statute creating the recurring liability and statutory charge; a tax's label alone does not determine the allowance. This is a distinct companion judgment applying New Piecegoods, not another copy of it. Current property-income deductions require the applicable current statutory text.

Source: [Primary report: SCR 565 / PDF 3](#)

SOURCE & VERIFICATION

[Supreme Court Reports primary scan — public eSCR mirror](#)

PDF 1 begins with the ending of New Piecegoods; exclude that fragment. Target caption/headnote starts later on PDF 1, judicial text is PDF 2-3.

[Open cited source rendition](#)

STATUTORY SCOPE

Historical 1922 Act wording and AY 1939-40 only; no present-law clearance.

LATER TREATMENT

Source checked 2026-10-18. Historical judgment; later treatment and current-law applicability have not been comprehensively checked.

[Related note: The New Piecegoods Bazar Co. Ltd., Bombay v. Commissioner of Income-tax, Bombay](#)

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from an identified primary report. Independent human review is not represented.

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