

IndiaCode

The Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1961

(ACT NO. 46 OF 1961)

[*As on the* 30*th July*, 2026]

AMENDING ACTS

The Delegated Legislation Provisions (Amendment) Act, 1985 (4 of 1986).

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LIST OF ABBREVIATIONS USED

Cl.,cls.	for	Clause, clauses.
Ins.	,,	Inserted.
Notifn.	.	Notification.
S., ss.	.	Section, sections
Sch.	.	Schedule.
Subs.	.	Substituted.
w.e.f.	.	with effect from.

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THE VOLUNTARY SURRENDER OF SALARIES (EXEMPTION FROM TAXATION) ACT, 1961

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title.
2. Exemption from taxes on income in respect of salaries surrendered in favour of Government.
3. Provisions of section 2 to apply to allowances.
4. Power to make rule.
5. Repeal.

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THE VOLUNTARY SURRENDER OF SALARIES (EXEMPTION FROM TAXATION) ACT, 1961

ACT NO. 46 OF 1961

[6*th December,* 1961.]

An Act to provide for exempting from taxes on income a portion of the salary or allowances payable to any person who has in the public interest volunteered to forego it.

BE it enacted by Parliament in the Twelfth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1961.

2. Exemption from taxes on income in respect of salaries surrendered in favour of Government.—Notwithstanding anything contained in the Indian Income-tax Act, 1922 (11 of 1922), or in any other law for the time being in force relating to taxation on income, no income-tax or super-tax shall be payable by any person—

(*a*) where his salary is paid out of the Consolidated Fund of India or of the Consolidated Fund of a State, in respect of that part of the salary due to him for any period after the 31st day of March, 1961 which he has, by a declaration in writing, volunteered to forego in the public interest;

(*b*) in any other case, in respect of that part of the salary which is due to him for any period after the 31st day of March, 1961 which has been, in the public interest, surrendered in favour of, and paid to, the Central Government in accordance with the rules made in this behalf by that Government;

and such part of the salary shall not be included in his total income for the purposes of any law relating to taxation on income.

3. Provisions of section 2 to apply to allowances.—The provision of section 2 shall apply in relation to any allowances due to any such person as is referred to therein for any period after the 31st day of March, 1961 as they apply in relation to his salary.

4. Power to make rules.—(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(*2*) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or [1][in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid] both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified from or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

5. Repeal.—(*1*) The Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1950 (61 of 1950), is hereby repealed.

(*2*) Notwithstanding such repeal any declaration made under the said Act shall be deemed to be a declaration made for the purposes of this Act.

1. Subs. by Act 4 of 1986, s. 2 and Sch., for certain words (w.e.f. 15-5-1986).

STATEMENT OF OBJECTS AND REASONS

Under the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1950 a person whose salary is either specified in the Second Schedule to the Constitution or is determined by any Central, State or Provincial Act, is exempted from taxation on income in respect of such part of his salary and allowances as is foregone by him in the public interest by a declaration in writing. The object of the present Bill is to extend the scope of this exemption to all salaried employees, whether in Government or private employment in respect of salaries and allowances due for any period after the 31st March, 1961.

NEW DELHI;
The 5th August, 1961.

MORARJI R. DESAI.

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