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SYNOPSIS

13. HEADS OF INCOME

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14. INCOME NOT FORMING PART OF TOTAL INCOME AND EXPENDITURE IN RELATION TO SUCH INCOME

**14(1): Disallowance of Expenditure Related to Exempt Income**

**14(2): Assessing Officer’s Determination of Expenditure Related to Exempt Income**

**14(3): Applicability Even if Exempt Income Not Received in the Year**

**13. HEADS OF INCOME.**

**13: Heads of Income**

Save as otherwise provided in this Act, all incomes shall, for the purposes of charge of income-tax and computation of total income, be classified under the following heads of income:—

- (a) Salaries;
- (b) Income from house property;
- (c) Profits and gains of business or profession;
- (d) Capital gains; and
- (e) Income from other sources.

**14. INCOME NOT FORMING PART OF TOTAL INCOME AND EXPENDITURE IN RELATION TO SUCH INCOME.**

**14(1): Disallowance of Expenditure Related to Exempt Income**

(1) Irrespective of anything to the contrary contained in this Act, for the purposes of computing the total income under

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**this Chapter, no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to income which does not form part of the total income.**

**14(2): Assessing Officer's Determination of Expenditure Related to Exempt Income**

**(2) Where the Assessing Officer, having regard to the accounts of the assessee, is not satisfied with—**

**(a) the correctness of the claim of expenditure incurred by the assessee; or**

**(b) the claim made by the assessee that no expenditure has been incurred, in relation to income which does not form part of the total income under this Act, he shall determine such amount of expenditure in accordance with any method, as may be prescribed.**

**14(3): Applicability Even if Exempt Income Not Received in the Year**

**(3) Irrespective of anything to the contrary contained in this Act, the provisions of this section shall apply in a case where any expenditure has been incurred during any tax year in relation to income which does not form part of the total income under this Act, but such income has not accrued or arisen or has not been received during that tax year.**