

Section - 18, Gift-Tax Act, 1958

[Rebate on advance payments.]

18. If a person making a taxable gift pays into the treasury within fifteen days of his making the gift any part of the amount of tax due on the gift calculated at rates specified in the Schedule [or at the rate specified in sub-section (2) of section 3], he shall, at the time of assessment under section 15, be given credit—

(i) for the amount so paid; and

(ii) for a sum equal to one-ninth of the amount so paid, so however, that such sum shall in no case exceed one-tenth of the tax due on the gift.

Explanation.—If a person makes more than one taxable gift in the course of a previous year, the amount of tax due on any one of such gifts shall be the difference between the total amount of tax due on the aggregate value of all the taxable gifts so far made, including the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be [at the rate specified in sub-section (2) of section 3], and the total amount of tax on the aggregate value of all the gifts made during that year, excluding the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule or, as the case may be, [at the rate specified in sub-section (2) of section 3].]