

Section - 3, Expenditure-Tax Act, 1987

[Application of the Act.

3. This Act shall apply in relation to any chargeable expenditure—

(1) incurred in a hotel wherein the room charges for any unit of residential accommodation at the time of incurring of such expenditure are [*three thousand rupees or more per day*] and where,—

(a) a composite charge is payable in respect of such unit and food, the room charges included therein shall be determined in the prescribed manner;

(b) (i) a composite charge is payable in respect of such unit, food, drinks and other services, or any of them, and the case is not covered by the provisions of sub-clause (a), or

(ii) it appears to the Assessing Officer that the charges for such unit, food, drinks or other services are so arranged that the room charges are understated and the other charges are overstated,

the Assessing Officer shall, for the purposes of this clause determine the room charges on such reasonable basis as he may deem fit; and

(2) incurred in a restaurant [before the 1st day of June, 1992].