

Law (Education) (1925) Department.

(K)

Ordinary SERIES.

G.O. No. 133

DATED 28. 1. 1925

[Despatch Abstract.]

Tax - Education -

Exemption of lands & vacant sites
from payment of education tax - proposal
of municipal ~~tax~~ Council, Kumbakonam -
Sanctioned -

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

C.F. 20-5,000-18-6-28.

LOCAL AND MUNICIPAL DEPARTMENT.

12
C.No 4580

Received.....192 . Registered.....192

7-DEC 1924

Subject.

Sanction of Government for the exemption of the properties such as "Vacant sites and land tax" from the levy of Education tax from 1-4-1922 on Solicited.

ENCLOSURES.

No.

Four Shukla

Spare copies

R.C. No. 210/CR of 23.

Station Kumbakonam, Dated the 3rd December 1924 192

From (Name) M.R.Ry. M.C.N. Muthukumara Chettiar Avl.,

(Designation) Chairman, Municipal Council, Kumbakonam.

To The Secretary to the Government of Madras,

Through The Collector, Law (Education) Department. Tanjore.

Sir,

I have the honor to solicit reference to G.O.No. 855 Law (Education) dated 21-7-1922, sanctioning introduction of compulsory Education and the levy of the Education tax in this municipality as proposed in municipal council's resolution dated 11-11-1921 and 8-4-1922. Copies of the resolutions referred to are enclosed for ready reference.

2. It would appear that the council resolved to levy the Education Tax at 2½ per cent of the annual rental of properties and 12½ per cent of the maximum rates of -- Profession Tax. By the word "Properties" mentioned in the

resolution, was meant "buildings" and not ~~properties~~ other description of properties such as lands and vacant sites, and this intention is clear from my office records, and has been expressly stated in the notification published in the District Gazette. The Education Tax was levied accordingly on property rentals of buildings alone and on all profession tax assessees.

3. It was pointed out by the District Inspector of Local Fund Accounts, that the resolution of the council was for -- levying the tax on properties in general, which would include agricultural and non-agricultural lands, situated within the municipal limits. It was explained that the education tax of $2\frac{1}{2}$ per cent was to be levied on buildings only and not on other properties, as notified in District Gazette and that the whole of the ~~fund~~ fund was to be found by reducing the Water and Drainage tax from 8 per cent to $5\frac{1}{2}$ per cent. The Examiner suggested that the sanction of the Collector might be obtained for exempting properties other than "buildings" from taxation (vide copy of the Examiner's letter enclosed). The Collector has declined to grant the exemption, as he has no power to do so under Section 117 of the Municipal Act (vide copy of Collector's reply enclosed).

4. I have the honor to request that Government may be -- pleased under the circumstances to pass orders, exempting the properties other than buildings in this municipality from the levy of the Education tax with effect from 1-4-1922. The -- favour of early orders is solicited, as this is one of the longstanding audit objections.

I have the honor to be,

Sir,

Your most obedient servant,

M. N. Muthukumar

Chairman.

S.S.

Despatched
5 DEC 1924

Proceedings of the Municipal Council, Kumbakonam, passed at their Special Meeting held at 4-30 P.M. on Friday the 11th November 1921.

1. Introduction of the Elementary Education Act in this Municipality.

Proposed by Mr. G. Narasimha Chariar and seconded by

Mr. R. Subramania Aiyer that

- (1) Elementary Education shall be free and compulsory for all boys of school age within the limits of Kumbakonam Municipality from 1st April 1922.
- (2) The Council declares its readiness to levy an education tax at the rate necessary for meeting the expenditure involved;
- (3) The council resolves to levy education tax from 1-4-1922 as follows:
 - (a) $2\frac{1}{2}$ per cent of the annual rental value of properties;
 - (b) $12\frac{1}{2}$ per cent of the maximum rates of professional tax;
- (4) The council resolves that from 1-4-1922, when the Elementary Education is compulsorily introduced, Water and Drainage Tax shall be $5\frac{1}{2}$ per cent.

Mr. N. K. R. Narayanasami Naidu opposed item No. 3(b) and left the hall before votes were taken.

Carried unanimously.

Proceedings of the Municipal Council, Kumbakonam passed at their special meeting held at 5-30 P.M. on Saturday the 8th April 1922.

1. Introduction of free and compulsory Education within in this town.

In pursuance of the resolution No. 1 dated 11-11-1921, this council resolves to take credit in the budget for 1922-23

for an Education tax comprising----

- 9 (1) 2½ per cent tax on property rentals and
(2) 12½ per cent of the maximum rates of Profession tax;
and an equivalent grant from Government under
Section 37 of the Elementary Education Act.

(Sd) M.C.N.Muthukumara Chettiar,

Chairman 8-4-1922.

(True Copy)

Copy of communication No.19-A-46-7828 from the Examiner
of Local Fund Accounts, Madras, to the Chairman, Municipal
Council, Kumbakonam.

I have the honor to state that the Assistant Inspector of
Local Fund Accounts who recently audited the accounts of your
municipality has brought to my notice that the Municipal Council
resolved
Kumbakonam at its special meeting held on 11-11-1921, to levy
education tax at the rate of 2½% on the annual rental of --
properties, and the same was approved by Government under Section
34 of the Madras Elementary Education Act, VIII of 1920, in
G.O.No. 855 Law (Education) dated 21-7-1922. The original
notification published in the Tanjore District Gazette dated
12-2-1922 in which it was stated that the education tax would be
levied at 2½% of the annual rental of properties, is stated to
have been subsequently modified to the extent that the word
"properties" has been declared to include only "buildings" (vide
Tanjore District Gazette dated 12-10-1922). The notification as
modified is also stated to have been approved by the council in
its resolution No.8 dated 12--10--1922, and the education tax
levied at 2½% of the annual rental of buildings only, exclusive
of lands and vacant sites, with effect from 1-4-1922.

I would, however, point out that Section 34 of the Education
Act of 1920 prescribes the maximum rates for the levy of the
education tax, and section 35 gives power to the local authority

to alter the rates from time to time. So, when once a local authority, in this case the municipal council, has notified that a certain rate will be adopted for taxation under the Education Act, it has power only to alter the rates, but not to exempt any particular class of property or persons from taxation. But inasmuch as Section 36 of the Education Act lays down that the assessment and realisation of taxes leviable under Section 34 shall be in accordance with the procedure -- prescribed under Section 117 of the District Municipalities Act, V of 1920, the Collector alone has got power to exempt particular properties from taxation even under the Education Act.

The necessary sanction of the Collector for exemption of lands and vacant sites from taxation may therefore be obtained and the fact reported to this office.

I have the honor to be, Etc.,
(True Copy)

Proceedings of the Collector of Tanjore - Dated 13-10-1924.
D.Dis.10579-24-B-7.

Read the following:---

Letter from the Chairman, Municipal Council,
Kumbakonam, C.R.210/23 dated 25-7-1924.

Order:

Section 117 of the District Municipalities Act gives no authority to exempt any particular classes of property from taxation while Section 81 is imperative that the property tax "shall be levied on all buildings and lands".

Further the Education tax is levied under Section 34 of the Madras Elementary Education Act, under this the tax is not to exceed 25% of the taxation leviable under the head of property tax. There is no question of what tax is being

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actually levied and the property tax is leviable from every one though exemption may be granted to individuals under Section 117 District Municipalities Act. Section 117 therefore appears to be ousted by Section 40 of the Elementary Education Act.

In the third place on the merits there appear to be no grounds for exemption.

I regret therefore I am unable to grant the sanction prayed for.

(True Copy)

M. V. Kuthukumar
Chairman.

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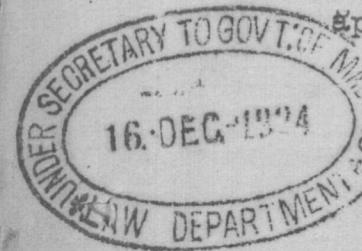
Despatched
5 DEC 1924

L.Dis.16797-24-B-7
Enc:--5 sheets.

Tanjore Collector,s office,
Dated 11th December 1924.

Forwarded.

2.The reasons for my decision are explained in the
order under appeal, copy of which has been attached to the
appeal petition.



G.K./14-12-24.

To The Secretary to the Government of Madras,
Law (Education) Department, M a d r a s.

N. S. Srinivasan
For Collector.

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16/11/24

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2 The financial Statement prepared by the S P D in connection with the Scheme for the introduction of compulsory education shows that if the ~~rate~~ Education tax is levied at the rate specified above there

When given for copying _____
When copied _____
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192

READ AGAIN G.O. No.
192

DATED

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT ..

A A A A A A A

LETTERS OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED OF, BEING MEANT FOR DISPATCH
IN ORIGINAL.

N.B.—

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