

Ed M. (1945) Department.

He

SERIES.

(6)

G.O. No.

1461
Eon

Dated

18.9.1945

[Despatch Abstract.]

Subsidy - Government Contribution under
Section 37 of the Elementary Education
Act - Municipal Council, Villupuram
claim in respect of contribution paid
by South Indian Railway - Order
passed.

Back Papers.

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

Further Papers.

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

C.F. 32 (a).

Local Administration Department

From (Name)

Janab Syed Peer Pasha Sanib B.A.,

Commissioner,

Municipal council,
Villupuram.

Station



(N)

33438

Received

Registered

To

The Secretary to Government,
Education and Public Health
Department,
Fort Saint George, Madras.

Enclosures :

No. B.1-2633/45 dated 24.7.45. Through, The Chairman, Municipal council, Villupuram.

(A) H 913

Sir,

Sub:-Subsidy - Local bodies - contribution
from Provincial funds in respect of Education
Tax-clarification requested.

Ref:-G.O.No.530 Edn and P.H dated 6.4.45.

In the above Government order it is stated that Government contributions at 1-1/3% of property rentals in Municipal areas will be paid from 1945-46 and that the contribution payable in 1945-46 will be equal to the amount and the Education tax realised and - credited to the Elementary Education Fund in 1944-45 at the rates mentioned above. Education tax is being levied in this Municipality on property rentals at one percent per half year. As per G.O.No. 544 L.A., dated 12.2.42 Education tax could be levied on Railway buildings and lands, as the Education tax on properties was levied for the first time in this Municipality with effect from 1.4.42. The Railway company is paying an annual contribution of Rs.700/- in lieu of Education tax as per G.O.No.M.S.3360 dated 1.12.1943

pp 37-38 g (T)

I request you to kindly let me know whether the property rentals of Railway properties may also be included in calculating the contribution payable in 1945-46 as per the Government order cited above. (K)

I solicit the favour of your early reply.

Forwarded

2 Govindaraj

Chairman. 24.7.45

3477

Commissioner. 24.7.45



EXP. H(A)

G.O. 3360 L.A., 2/1.12.43 referred at 'Mon plants has been taken by the L.A. Deptt for their C.No. 31322 A/44. That Deptt may be requested to put up the G.O.

EXP. H.W.O. 33438 A/45-1

30/7/45

31 JUL 1945

13652-1A

A No 3360 L.A. 2/1.12.43 is prout. The file may be returned to EXP. H. with the request that the necessary intimation slip may be sent to the Recdts.

28-7-45

EXP. H

37/19/9

Subsidy - Govt contribution under section 37 of the E.E. Act - ^{Municipal Council, Villupuram} claim in respect of contribution paid by S.T.R. - Orders passed.

C. No. 33438 A/45

From the Commr. Villupuram Mpty

No. B1-2633/45, 2/24.7.45

G.O. (MS)

1461

Edn. 18.9.45

Municipal Council
The Commr. Villupuram Mpty

State the sum of Rs 700 recommended from the S.T.R. Admin. in lieu of education tax, may be included in the claim for

is informed that the ^{is prout} is eligible for Govt. contribution under section 37 of the E.E. Act in respect of the contribution realized from ~~paid by the S.T.R. Administration in lieu of education tax.~~

To the Commissioner Villupuram Mpty (thru the C.M.C.)

in Ben of R.F.A

13.9.45
2/13.9.45
18-9-45

18-9-45

7/1/45

(4) H. 243

[Faint handwritten text, mostly illegible]

Subsidy - Equivalent Govt contribution - 14. cl,
Villupuram - Cost of claim in respect of contribution
paid by S.T.R.

C.No. 33438A/45 From the Commr, Villupuram Rpty, No. B.1-2638/45, d/24.7.45

The Commr, Villupuram Rpty,
enquired whether the Council is eligible for
equivalent Govt contribution in respect of the
contribution paid by the S.T.R. in lieu of education
tax. As the contribution is being paid in lieu of
tax, it seems that the C. is eligible for equivalent
Govt contribution in respect of the amount of
contribution paid by the Railway. The remarks of
Regal may be invited w.o.

Education tax was levied in the
Rpty at 1 p.c. from 1.4.42. The rate was increased to

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2 p.c. from 1.4.44. The amount of contribution paid by the Railway (Rs 700) was agreed upon at a time when the rate of taxation in force in the city was 1 p.c. If it is decided that equivalent contribution should be paid in respect of the contribution paid by S.T.R., subsidy should be allowed for the entire contribution of Rs 700.

4-8-45
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7.8.45
Legal Department.
F.N. H.W.O. 33438 A/45-1
7/8/45

The Municipal Council, Villupuram, proceeded under sections 34 and 35(1) of the Elementary Education Act, 1920, to assess the education tax payable by the railway administration at Rs. 700. The railway administration offered in the first instance to pay a sum of Rs. 350 but later agreed under section 135(4) of the Railways Act

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ASSISTANT SECRETARY I
8 - AUG 1945
LEGAL DEPARTMENT.

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p613 of Book No. 17
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p2 of ⑤
which is similar to section 5 of Act XXV of 1941 to pay the sum of Rs. 700 as claimed by the municipal council on the advice of the Provincial Government. The point which arises for consideration is whether for purposes of section 37 of the Elementary Education Act the amount agreed to be paid by the railway administration can be deemed to be proceeds of taxation levied under section 34 of that Act.

The liability for the said tax would arise only if the liability is declared by the Central Government by notification in the Official Gazette under section 3(1) of Act XXV of 1941. Even if no such notification is issued, it is open to the railway administration to pay such sum as may be agreed upon to a local authority for any service rendered by it. The amount was in fact agreed to be paid under section 135(4) of the Railways Act which corresponds to section 5 of Act XXV of 1941. If the Government are not inclined to make a contribution under section 37 of the Elementary Education Act, 1920, it would be possible for them to contend that the liability for such contribution has not arisen as the amount was not actually levied under section 34 of that Act. It may however be pointed out that if a notification under section 3(1) of Act XXV of 1941 was not actually issued by the Central Government, it was because of the fact that the railway administration on the advice of this Government accepted the liability for an amount equal to the elementary education tax proposed to be levied by the municipal council. The Provincial Government having interfered on behalf of the municipal council and persuaded the railway administration to accept the proposal of the municipal council are morally precluded from relying on the provisions of section 37 of the Elementary Education Act and contending that the amount paid by the railway administration cannot be regarded as proceeds of taxation under section 34 of that Act. If the spirit of section 37 is to be taken into consideration the amount may well be regarded as proceeds of taxation levied under section 34 of the Elementary Education Act. In the circumstances

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it may not be fair on the part of the Provincial Government to deny the contribution to the municipal council.

25/8/45

S in

25.8.45 E & D H

EXP. H(A)

Please see legal department view which is
no account with the needs of this department. can page 1 into
Finance may see before circulation.

Legal no 4656-1

25.8.45

1/9/45
3.9.45

4.9.45

Finance: 4/9
4/9 - 1/9



Fin(Exp B)

The notes on pp 1-4 above may be perused and
the file returned to EXP. H. no.

7/9/45

7.9.45

8.9.45
EXP H

55773
EXP. H. no. 33438A/45-2

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40263.

EXP. H(A)

A draft order is submitted
for orders as to circulation.

EXP. H. no. 39934
8.9.45



15.9.45

W A 2
17/9/45
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13.9.45
13.9.45