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2/4/46.

Form II-27-87,004-12-12-45

E.A. (1946) Department.

Hs

SERIES.

G.O. No. 594 (594)
Eon

Dated 15.3.1946

[Despatch Abstract.]

Tax - Education - Municipal Council, Erode - Levy as surcharge
on profession tax - Sanctioned.

Back Papers

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

Farther Papers.

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

Copy of No.A.3.5630.45.dated 7-9-45 from the Commissioner, Erode Municipality.

Sub: Tax - Profession - allocation of 25% of profession tax collected as education tax - sanction solicited. (2)

Profession tax is being levied in this municipality from 1st April 1942 at the maximum rates prescribed in G.O.No.624/L.A. dated 18th February 1942. Over and above this, 25% of the general tax was also levied as a surcharge on profession tax. On receipt of G.O. No.926 L.A. dated 26th January 1943 stating that where the maximum scale has been adopted, it will not be permissible for the local bodies to levy from 1st April 1942 the Education tax as a surcharge on the profession tax, the council in its resolution No.604 dated 31-3-43 (copy submitted) decided to set apart 25% of the maximum rate collected as Education tax. This procedure has now been objected to in audit on the ground that the above allocation will amount to the reduction of the levy of the rate per cent of the profession tax and that sanction of Government is necessary therefor. I request that Government may be pleased to accord their sanction for the allocation made. (True copy)

Copy of L.F.5384. dated 24-10-45 from the Examiner of Local Fund Accounts. p.t.o.

2
Forwarded.
2.
3. The apportionment of 25 per cent of the collections of profession tax as education tax would also require the sanction of Government - vide paragraph 6 of the audit report on the Elementary Education Fund account of the Municipality, for 1944-45 submitted to Government (Education and P.H. Department) with this department endorsement No. L.F. 3234 dated 13-8-45.
...000...

Proceedings of the Municipal Council, Erode dated 31-3-43.

pp1-2
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G.O.No.32.L.A. dated 3-1-42 limiting the amount of profession tax leviable by municipalities and the notification published by this office.
(ii) G.O.No.926 L.A. dated 26-1-43 stating the maximum fixed for each class should not be exceeded even by the levy of Education tax as a surcharge on profession tax.
(iii) Sanction of the council is solicited to set apart 25% of the maximum rate collected as Education tax so that the council can have the benefit of equivalent Government grant.

Council Resolution No.604 dated 31-3-43.

Sanctioned. (True copies)

3
Copy of letter No.A3.5630/45 dated 2-2-45 from the Chairman, Municipal Council, Erode.

Tax - Education - Equivalent grants drawn particulars - furnished.

not put up
Memorandum No.27293/45-3A. L.A. dated 12-1-1946.

A statement showing the amounts of equivalent grants drawn from Government during 1942-43, 1943-44, 1944-45 and 1945-6 is appended.

The equivalent grant drawn in 1944-45 is Rs. 1140-10-0 and not Rs.1040-10-0 as reported by the Examiner of Local Fund Accounts.

Year in which drawn.	Equivalent grant relating to previous year.	Remarks.
1942-43.	Rs. 985 5 0	.. The amount is admissible as the Limitation Act came into force from 1-4-42.
1943-44.	1000 6 0	.. Rs.821-10-0 refunded to Govt. in Treasury Chalan No.551 dated 4-2-44 of the Erode Sub-Treasury with reference to the Govt. Memorandum No. 32542-A1.Edn. dated 19-10-43.
1944-45.	1140-10 0	.. This amount will have to be refunded to Govt. if sanction is not accorded to the allocation applied for in this office reference No.5630/45/A3 d/ 7-9-45.
1945-6.	N i L	..

(True copy)

4
Copy of letter No. 5630-43-45, d/19-2-46 from the Commissioner,
Erode Municipality.

With reference to paragraph 2(ii) of G.O. 283 P.N.,
d/8-2-1946, passing orders on the R.E. for 1945-46 and the R.E. for 1946-
47 of the E.E. fund of this Municipal Council, I have to report that a sum
of Rs. 1,140-10-0 drawn as equivalent Government grant during the year
1944-45 was refunded to Government on 18-2-1946.

75
15/3
p 157
p 612, B/C 17

5 E.P.H.C.-1)
Tax - Education - M. C., Erode - Levy
as surcharge on profession tax - sanctioned
From the Commr., Erode City, No. A.3.5630.45,
G.O. (M) 594 d/17.9.45
Edn. d/ 15/2/46

Under sections 34 and 35 of the
M. F. E. Act, 1920, the Govt. approve the
proposal of the M. C., Erode, to levy education
tax as surcharge on profession tax at
twentyfive per cent of the maximum rates
fixed in sub-rule (v) of rule 16 of the Schedule IV
to the M. D. M. Act, 1920, with (G.O. 6244A,
d/18.2.42) with effect from 1-4-46.

Approved
19-3-46
To the Commissioner
Erode City (thru the C.M.C.)
" " D. P. I.
" " Exr of C. F. A.
" " R. A. Dept.

(E) 1/2
(E)
6.3.46
JSM.
8/10/46
by 8/8me. P. T. O
P.T.O.

69 34913

2 Orders will be issued separately by the L.A. Deptt, reducing the rate of profession tax for general purposes to 75 p.c. of the maximum rates fixed in G.O. 624 L.A., (E)

2/18.2.1942.

13.3.46

13/3/46

13/3/46

17474

id

pp3-46
g(J)

Subsidy - Govt. Contribution under Sec 37 of the E.F. Act - Education tax collected as surcharge on profession tax without sanction of Govt - M. d., Erode.

Memo: No 17474 C-1/46-1 Eln. d/ 29/3/46

Copies of the letters from the Commissioner, Erode City, No. A3.5630/45, d/ 2.2.46 and 19.2.46 are forwarded to the Exr of L.F.A. He is requested to state whether the M. d., has to refund any further amount in respect of education tax levied as surcharge on profession tax Govt contribution under Section 37 of the E.F. Act drawn as education in respect of education.

8

tax levied as surcharge on profession tax
without sanction of Govt.

27/3/46
27/3/46

28/3/46

To the Exr of L.F.A
(with copies of
pp 3-4e.f of
G.O 594 Edn
15.3.46)

(J)

27 1568
25.5.46

EXAMINER'S OFFICE:

SUBJECT : Subsidy-Govt.contribution under Section 37 of the
Elementary Education Act-Education tax collected
as surcharge on profession tax without sanction of
Govt.-Municipal Council, Erode.
REFERENCE: Memorandum No.17474 C-1/46--1 Edn.;dated 29-3-1946.

+++
The figures furnished by the Commissioner, Erode
Municipality have been verified subject to the following
remarks:

1943-44 In addition to the sum of Rs.821-10-0
refunded on 4-2-1944, the balance out of the grant of Rs.1000/6
was refunded on 5-1-1945.

1944-45: The sum of Rs.1140-10-0 was refunded on
18-2-1946.

Thus no further refund is due.

M I

Asst.Examiner of L.F.Accounts.

To The Secretary to Government,
Education and P.H.Department.

3/10

EOP H(C-1)

In the circumstances stated
by the Exr at 'M' on p 3 ante, no action
is called for. The papers may be
filed with G.O. 594 Edn, d/15/3/46.

(J)

28/5/46
28/5/46
29/5/46

13497

Extract of notes from L.A. Dept. note file relating to Tax -
Profession - Erode Municipal Council - Allocation of 25% of
profession tax as education tax.

The request of E & P.H. has been noted. The draft O.M.
below may issue.

/11-1-46.

Issued as O.M. 27293/45-3A. L.A. dated 12--1--1946.
From the Commr. Erode Mcty. A3.5630/45 d/ 2-2-1946.

The amounts specified on p. 9 c.f. represent the equivalent grants drawn for 1942-3, 1943-4, and 1944-5 in addition to the amounts of compensation. Since the levy of the education tax during these years is invalid, the council had no claim to the equivalent grants. The above amounts should therefore be refunded to the Government. E & P.H. may be requested to issue the necessary orders taking extracts from this file for the purpose. That Deptt. may be requested to accord the necessary sanction for the levy of education tax at 25% of the maximum rates of the profession tax from 1-4-46.

M

2. Sanction may be accorded to the reduction from 1-4-46 of the ratio of the profession tax to 75% of the maximum rates. ~~A draft order is submitted below~~

3. In consequence of this reduction of the rates of the ~~profession~~ profession tax and of the sanction to the levy of the education tax proposed, it is necessary to alter the amounts of compensation payable for loss of revenue from the profession and education taxes. The present amounts, viz., Rs. 4938-8-0 and Rs. 3267-0-0 respectively, were fixed on the basis that no education tax would be levied. The amount of the compensation payable for loss under the profession tax will have to be altered as also that payable for loss under the education tax. The Examiner may be asked to submit proposals for the alteration of the amounts of compensation.

4. The draft order below may be sent to E & P.H. for perusal and to Finance for acceptance.

J.L.W./28-2-46.

EOP H(C-1)

9/3
verified from
L.A. budget
file

'M' on p 2 c.f.
(E)

'M' on p 2 c.f.
(E)

p 2 c.f.

a Exr has been
consulted. as
order. Edn
tax have to be
made before 31.3.46
a question of
when may be
made after
31.3.46

The M. C., Erode, is levying education
tax on properties at $1\frac{3}{8}$ p.c. of their annual value, per
half year

Profession tax is being levied at the
maximum rates specified in G.O. 624 R.A. d/18.2.42.
It proposed to levy education tax as a surcharge on
profession tax at 25 p.c. of the maximum rates
specified in the G.O. reducing the tax for general
purposes by a corresponding rate.

The proposal of the C. to levy edn. tax
as surcharge on profession tax at 25 p.c. of the maximum
rates may be approved. A draft order is submitted.
After issue, action may be taken for the recovery of the
equivalent Govt. contribution paid in respect of
tax collected in previous years without sanction of Govt.

Sub

28/5/46 S/A
8/5/46

P.70

This order may be liable to misinterpretation as authority to levy 25% profession tax as education tax in addition to the max. profession tax already levied. It shd be made clear in the draft that the Profession Tax levied for general purposes will only be the difference between the maximum of the education tax - as already laid down by law



9.3.46

With reference to the minutes of A₄ above, it is submitted that the R.A. dept propose to issue orders approving the proposal of the d, to reduce the rate of tax profession tax for general purposes to 75 p.c. of the maximum rates fixed in the Gov. 624 R.A. of 18.2.42. This has been made clear by the addition of a sentence in the draft. The draft as added to may issue.

Man plants

(E)

12.3.46

10/10/46

18 June

[Faint, mostly illegible handwritten text, possibly bleed-through from the reverse side of the page.]