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EdmPR (1949) Department.

Ms SERIES.

G.O. NO. 2233 Edm

Dated

12. 7. 49

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IN 5-6 of copy
143-7-65 ADM

(8)

[Despatch Abstract.]

Tap - Edm. Levy an. House Lsp.
in Pancha Yaf areas - Papers Received

Back Papers.

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

Further Papers.

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

192
11/12/1927

on house tax
aided profession
tax

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perwer
h. a.
particular

8494 Deptt (B₂)

Memo No. 76890 B₂/48-2 Edn dated 10.1.49

Sub: Education tax on house tax.

The Madras Elementary Education Act, 1920 authorises the levy of Education tax by ~~house tax~~ DE Boards as a surcharge on ^{or profession tax} house tax in Panchayat areas. Experience in the past ^{showed} had shown that it was difficult to levy and collect the tax in the Panchayat areas. As such the levy of Education tax in Panchayat areas ~~the levy of the~~ ^{the levy of the} ~~education tax as a~~ ^{education tax as a} surcharge was discontinued under G.O. No 2286 Law and Edn. dated 3-11-34.

2. A suggestion has been made ^{that the levy} in the case of Panchayats for which paid executive officers have been appointed, education tax may be levied as a surcharge on house tax and the collections ~~are~~ credited by the Panchayat to the DE Board. The Inspector of ML chs and L. Boards is requested to ~~may~~

20/1/49

offer his remarks on the suggestion and to say at what rate education tax can be levied on house tax in Panchayat areas and what will be the additional income derived on the levy of education tax on house tax.

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To
The Insp. of M.C.
and L. Boards.

RM
16/1/49

ON P
16/1/49
p 1-2 & 2/6

To
The Inspector of
Local Councils
& local boards.
Madras

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EPH B2

Memo No. 76890 B2/48-3 Edu. d. 16/6/48.

Sub. Education Tax on House Tax.
Ref. Govt. Memo 76890 B2/48-2 d. 10-1-49.

The attention of the Inspector of Local Boards and Municipal Councils is invited to the Govt. memo cited and he is requested to expedite his reply.

RM
14/6/49
15/4/49

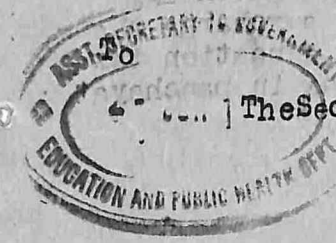
RM
16/6/49

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From

K.M. Unnithan Esq. I.C.S.

Inspector of Ml. CIs. & Local Boards, Madras. I.



The Secretary to Government,

Education and Public Health, Madras.

Roc. 4181.49. dated 19.6.49.

Sir,

Sub: Tax- Panchayats - Education tax on house tax.

47798

Ref: Government memorandum No. 7689 B2.48.2. Education dated 10.1.49

P 1-2 ant

...
Panchayats are levying house tax at different rates, some on capital value and the others on annual rental value, and profession tax at the maximum rates prescribed in the Madras Local Boards Act. As the rates of tax vary and as the income derived by each panchayat board also varied, it may not be possible to fix a uniform rate of education tax for all panchayats in the presidency. Consequently, the best course to determine the rate of education, will be to ascertain the income and expenditure as per the Elementary Education Account of each district board and the income derived by panchayat boards under house tax and profession tax and work out the percentage of surcharge on house tax and profession tax to be levied as Education Tax so that the proceeds thereof may be 50% of the expenditure less the income already derived by the District Board by way of taxation in its area. In doing this, the panchayats which levy this Education tax as a surcharge on

pto

EDUCATION TAX ON HOUSE TAX.

Extract from L.Dis.4896/47 d/13-3-47 of the S.O., West Godavari Dt.Bd.

I submit hereunder some of my suggestions to increase the income of the Dt.Bds. or to reduce the expenditure.

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6. Levy of Education tax on House Tax and Profession tax in Major panchayats.

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39560

Extract from the S.O., Chingleput Dt.Bd., Rc.No.1999-47 dated 1/4/47.

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3. In introducing ~~fresh~~ taxes to augment the revenue of local bodies, it is important that the taxes should be of ~~xx~~ such a kind as can be collected without a very high cost of collection. If the cost of collection is very high the result will be that the public will pay increased tax much of which will go to maintain a collecting agency. This is not desirable. From this point of view there is much to be said in favour of a small increase in the rate of land cess and education cess for the collection of which there is already an efficient agency and for which no extra cost of collection is necessary. The present rates of land cess and education cess in the Dt. are 0-2-0 and 0-1-2 respectively. A one anna increase in the combined cess will easily bring in 2 lakhs of rupees. This need not be considered as ~~increasing~~ increasing the burden on land. In a country where 90% of the people are agriculturists, land tax is a form of taxation which is likely to be as equitable as any other in its incidents. The class of people on whom any tax will fall being more or less the same, it is immaterial whether they pay it with reference to the income from land or on any other basis.

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Extract from the letter of the S.O., Malabar Dt.Bd., D. Dis.4837/47 d/31-3-47.

The following points are suggested to augment the resources of the dt.bds.

(10) The levy of tax for education purposes as a surcharge on house or profession tax in panchayat areas as was in vogue previously may be restored and the liability to pay contribution equivalent to the education tax collected may be made statutory again.

Extract from the letter of the S.O., Nellore Dt.Bd., D. Dis.6165/47 dated 4/6/47.

In addition to the above proposal, I suggest the following for increasing the revenues and reducing the expenditure of the Dt.Bd.

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(2) Enhancement of the grant payable by Government under sec.37 of the Elementary Education Act, so as to make it equal to the amount of the Education

.2.

profession tax or house tax but which derive no benefit from the District Board Elementary Education Scheme by themselves maintaining Elementary Schools should be permitted to utilise the proceeds of the surcharge themselves. It is not possible to say at present at what rate education tax can be levied as a surcharge on house tax and profession tax in panchayat area and what the additional income will be.

Sd.K.M.Unnithen
Inspector.

/By Order/

Manager.

22.6

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1. To resort to the provision of Sec.34(2) of the Madras Elementary Education Act, in regard to levy of 25% of the taxation on the Dt.Bd. profession tax and also on the Profession tax and House tax of the panchayat boards to increase in ~~the~~^{the} elementary education funds.

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Sh
Grove

LA. 200 39560-1C
16.x.48

The general question of the levy of Education tax by D.E. Boards is to be discussed at ^{the} meeting of the Cabinet shortly. The suggestion made in the note may be considered, if necessary, after the decision of the cabinet is known.

RSN
3.11.48

37.11.18

by
4/1/00

211.48

19 OCT 1948
ASST. SECRETARY TO OVERSEAS
EMERSON AND FOREIGN HEALTH DEPT.

76896

L. A. DePaul

At the 1934 meeting in
1934 there are two
discussions leading to
the decision to discontinue
the buying of est. lots
and house & possession
large in. Small at
area. From
the offer placed below
it appears that

* Section 36 of the
E.E. Act.

There is nothing
very clear to
most of our actual
experience in the cases
that in practice
has been a
failure. 9 do

Will see why
it needs well

SUB:- Education tax on house tax.

District Boards

Education tax

West Godavari	-	From 15 pies to 24 pies
Chingleput	-	From 14 pies to 27 pies
Malabar	-	From 14 pies to 30 pies
Nellore	-	From 14 pies to 17 pies
Ramnad	-	From 14 pies to 16½ "

The suggestion of the Special Officers are examined below:--

(1) Suggestion of the S.O., Dt. Bd., Chingleput:- The S.O. suggests that the rate of land cess or education cess may be increased slightly. As regards land cess, the question is to be considered by the L.A. Dept. ^{the rate of} ~~In the case of education~~ ~~tax,~~ the rate has already been raised as indicated above. No action seems called for.

(2) Suggestions of the S.Os., Dt. Bds., West Godavari,
Malabar and Ramnad:- The practice of allowing local bodies ^{the Taluk Board}
(now P. Bds.)
to levy education tax on house and profession taxes in panchayat areas was in vogue prior to 1934. In that year, it was decided that education tax need not be levied on house and profession taxes. ^{might be} The reasons were the following:--

(1) There was no suitable agency to collect the education tax levied on profession tax.

(ii). Though the duty of collection of education tax on house tax in panchayat areas is vested in the President of Panchayat board, the tax was seldom collected and adjusted to the E.E. Fund regularly. There were cases of heavy arrears and Dt. Bds. had to write off the dues. The levy of education tax on house and profession taxes is beset with difficulties. Further the income that may be derived from the levy of tax will be very small compared with the tax levied on land cess. Also the scope of levy of education tax on profession tax is

restricted by the Professional Tax Limitation Act, 1941.

2. The request of the Special Officers, Dt. Bds., Malabar and Nellore for payment of a contribution in respect of education tax levied over and above that admissible cannot, in the present finances of the Province, be complied with.

3. In the circumstances, it is for orders whether any further action should be taken.

LA and Fin near see before circulation

17.11.48
21/11/48

16/11/48

L.A. Dept. A

The rate of land cess has been raised from 18 pias to 24 pias from 1.7.45. The question of increasing the rate further need not be taken up for consideration now.

As regards the levy of edu tax on house tax and profession tax in panchayat and dt. bd. areas, this dept may agree that no action need be taken.

With these remarks, the file may be passed on to the Fin Dept.

on the case of Panchayats

for which paid Executive officers have been appointed, edu tax may be levied as a surcharge on house-tax and the collections credited by the Panchayat to the dt. bd.



25.12.48

see below
25.12.48

LA. O.O. 49853/48-1A
28.12.48



A on p 3 above

margin of p 3 above

A on p 4 above

B above

Exp H may consult the members of the dt. Bd. on the details of the proposed levy before taking final orders.

25/12/48

Finance (Exp A)
The notes of Exp H and L.A. on pp 3-5 above.

AS regards the question of increasing the rate of Education tax in respect of the Chingleput District Board, Exp H do not propose to take any action as the rate has already been

raised to 27 pias recently. No action is proposed in respect of the dt. Bds. also as the tax has been raised there also.

With reference to the suggestion to revive the levy of education tax on house and profession taxes, the Exp H Secretary considers that there is no reason why it should not be revived. The L.A. Dept. consider that in the case of Panchayats for which paid executive officers have been appointed, education tax may be levied as a surcharge on house tax and suggest that the Inspector of Municipal Councils

and Local Boards may be consulted. As the proposals will ^{be helpful in} ~~go a long way~~ to improve the financial position of the local bodies, Finance ~~need not~~ ^{may agree} object to the matter being pursued further.

Finance may agree with L.A. that the question of increasing the land cess need not be taken up for consideration now.

2149
no
5.1.49

From
4.1.49

ETPA.

E.P.H. Dept (B2)

(A-7) It is for consideration whether the Inspectors of Municipal Councils and Local Boards may be consulted as suggested by the L.A. Dept.

A draft memo is submitted below for approval.

RSV
6.1.49

From
6.1.49

6/1/49 Issued as Memo 76890 B2/48-2 Educ d 10/1/49
C No. 47798/49. From the Inspector of Municipal Councils and Local Boards. Rec 4181/49 L 19/6/49.

The Inspector is not able to

furnish an estimate of extra income which St. Boards may derive from the ^{educational} tax on house ~~tax~~ and profession taxes in Panchayat areas. As already noted there are practical difficulties in the levy and collection ^{of this tax} unlike the Edu. Cess which is collected and credited by Rev. Dept. the St. Board has no suitable agency to collect the tax in Panchayat areas. Expenditure on any special staff appointed for the purpose may be ~~take away appreciable portion of~~ ^{the} income that can be derived from the tax. In the circumstances it is for orders

p. 1-2 CF.
p. 5-6 CF.

p. 1-2 CF.

13

p. 3-4 only

For p. 4 above
4/1/49

ADD
ETPA
21.5.011

For. W.O.
110212 / 6001 / 48 -



L.P.H. No 76890 B2/48-4

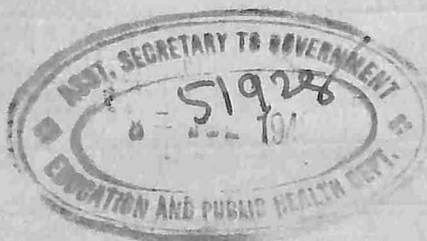
28/6/49



SN
29/6

(Vide A on p 4 ante,
B on p 4 ante & para
2 on p 1 CF)

L.A. V.O. 27961/49-14
7.7.49



Education
Abstract Tax
Copy on
House Tax Papers
recorded.

whether the proposal should be ^{Further} considered.

Further the Govt have a new Panchayat Bill ^{25/6/49} ^{as} under consideration. L.A. may see.

25/6/49 S / 27 / 6 / LA

L.A. Dept (A)

[This dept. last saw on pages 4 & 5 above.]

Please see the note of the E.P.H. Dept. on pages 6 & 7 above. This dept. may, in the circumstances, suggest that the proposal to levy education tax as a surcharge on house tax and profession tax in panchayats for which paid executive officers have been appointed need not be considered further.

2. With these remarks the file may be returned to E.P.H. V.O.

4.7.49
4.7.49

5.7.49
6.7.49
7.7.49 E.P.H.

Please see the note of L.A. Dept. above. No further action is called for. Papers may be

Order 2233 Educ. 12.7.49
MS. Recorded.

9/7/49
9/7/49

9/7/49

10/1/55

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