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EDUCATION (195~~4~~⁸) Department.

Ms SERIES.

G.O. NO.	~~512496~~ 947
Dated	22-3-1950.

Close
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PP 1-5 m/b - A

(5)

[Despatch Abstract.]

Tax - Em - Rates of levy -
 Fix abn in accordance with the
 58 Em Act. Paper number

Back Papers.

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

Further Papers.

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

Sub:- Tax - Education - Rates of levy - Fixation in accordance with the provisions of the Elementary Edn. Act - Orders passed.

Read again:- G.O.No.1606, Education, dated 22-6-48.

G.O.No.554, Education, dated 28-2-49.

G.O/Mis.No. 947 Edn. dated 22-3-50

(H) With reference to G.O.No.1606, Edn., dated 22-6-48, proposals were submitted by all Municipal Councils for the revision, in accordance with the provisions of the Madras Elementary Education Act, of the rates of levy of Education Tax on the various properties in the respective Municipalities. These proposals came through the Examiner of Local Fund Accounts who forwarded them in batches along with consolidated statements. But before these proposals could be examined in a complete form, the rates of levy of Education Tax were altered by ^{the} Government, either of their own motion or at the instance of the Municipal Councils, under Section 35 of the Madras Ely.Edn. Act, in many cases in connection with the examination of the E.E. Budgets for 49-50 of the respective Municipalities. In some cases, orders fixing or revising the taxes have been issued even independently of orders on the Ely.Edn. Budgets. Further, in G.O.No.554, Education, dated 28-2-49, orders were issued fixing ^{the} rates of levy of Education Tax on vacant lands by as many as 44 Municipalities. The proposals for modification of even these orders and requests for further instructions and clarifications have since been received from many Municipalities, especially with reference to G.O.No.1778, L.A., dated 24-9-48. Orders on these proposals also have been issued in some cases, whereas in respect of others no orders could be issued so far. Thus, the proposals for revision originally submitted by Municipal Councils have become out of date in many cases and it has been found impossible to examine the proposals and issue final orders thereon without making further references to Municipal Councils. Under the circumstances,

the Government consider that the most practicable thing to do is to re-examine the case of each Municipal Council completely in connection with its E.E. Budget for 50-51. The Commissioners of all Municipal Councils are, therefore, requested to re-examine the proposals with reference to the latest position and to resubmit them along with their E.E. Budgets for 50-51, giving all details regarding the existing manner of taxation and the rates of levy on the different classes of properties and on ~~profession~~ tax and referring to all previous G.Os. and correspondence. The Commissioners of those Municipalities who have already submitted their E.E. Budgets for 50-51 should submit the proposals called for in this order in continuation of the Budgets. Pending receipt of the revised proposals now called for and issue of orders thereon, Municipal Councils are permitted to continue to levy Education tax at the previous rates except in cases in which the rates have been subsequently revised by definite orders from the Government.

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2. The Government have since decided that the municipal Councils can levy Education tax to a maximum rate of 5% of property rentals and that the Government will be prepared to allow contribution equal to fifty percent of the income derived from the Education tax.

To
The Commissioners of all Municipalities (thru' the Chairmen)

The Examiner of Local Fund Account
Copy to the D.P.H.

The municipal Councils are advised to take into consideration this ~~decision~~ decision of the Government also before refixing the rates of Education tax. The actual rate of Education tax should however be fixed as a percentage of property tax with reference to Section 35 of the Madras Elementary Education Act, 1920, as amended.

OSM
22/1/50

Sub:- Tax - Education - Rates of levy - Fixation in accordance with the provisions of the Elementary Education Act.

The papers ^{in fact} below relate to the revision of rates of levy of Education Tax by Municipal Councils in accordance with the provisions of Sections 34 and 35 of the Madras Edy. Edn. Act, 1920, as subsequently amended. Proposals for such revision were called for from all Municipal Councils in G.O.No.1606, Education, dated 22-6-48, necessitated by the facts that no uniform procedure was followed by Municipal Councils in the matter and ^{that} some properties were left out by some of them untaxed. The proposals have been submitted by the Ml. Councils through the Examiner of Local Fund Accts. As far as practicable they are tabulated in the statement at flag (B).

2. It may be noted that the proposals are very old, dating from July '48. Such of these proposals as related to the levy of Edn. Tax on vacant lands were examined in February '49 and orders were issued in G.O.No.554, Education, dated 28-2-49. The proposals for modification of even these orders have also been received since.

3. It may be pointed out in this connection that in respect of certain Municipal Councils, proposals for revision of rates of Edn. Tax have been considered independently of the proposals in this file in connection with the examination of the Ely. Edn. Fund Budgets for 1949-50 of the respective Municipal Councils. In many of these cases, the taxes have been revised. With reference to these revisions the proposals in this file are out of date in many cases. It seems to be ^{almost} impossible now to take into consideration the various revisions effected since the proposals in this file were called for and to fix in the case of each Municipality the rate of tax, without ^{further} consulting the Municipal Councils and the Examiner. It, therefore, seems necessary to call for revised proposals again from all Ml. Councils,

Handled & dealt with separately along with the E.E. budgets & replies

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vide copy sent to Govt. (R)

having in view the latest revisions ordered by Government and given effect to by them. But, such revised proposals collected in a single file may not again be feasible of easy examination. Considering all the above factors, it seems better to address the Municipal Councils to submit up-to-date proposals for revision of taxes in connection with their respective Elementary Education Budgets for 1950-51, giving all necessary details, so that the case of each Municipality may be examined separately and thoroughly and orders issued along with those on their Budgets. This will also facilitate the examination of the rates to be levied by each Municipality with refce. to the conventional rates of maximum taxation, the question regarding which has recently been discussed in connection with the E.E. Budgets for 1949-50. ~~For orders whether this may be done.~~ Pending the receipt of the revised proposals and issue of orders thereon, Municipal Councils may be permitted to continue to levy the existing rates of tax except in cases in which they have been ordered to be revised by Govt. subsequent to the submission of the proposals in this file. ~~Subject to orders, a draft~~ A draft order is submitted below for approval. L.A. may see before issue.

8/21/50 LA

no: 5-1749/48-12A-
8.2-50

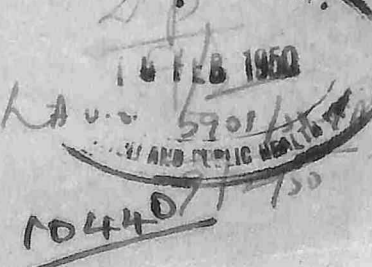
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The draft order below may now issue.

8/21/50

8.2-50



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This is so much labour lost and so much labour more to do. I would like to know why we should not

indicate broad outlines of procedure for the Tax on the basis of information already available, allowing exceptions only on grounds which the Municipalities will be asked to state. These principles can have reference to the recent decision of the Cabinet in respect of the share payable by Government and in respect of the conventional maximum. Re-examine.

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Secretary's note above presumably refers to the conventional rates of maximum taxation referred to at 'A' on the previous page and the recent decision of the Cabinet at 'X' below.

The conventional rates of maximum taxation adopted in respect of total property tax leviable by Municipal Councils are:-

- 1) Municipalities which do not provide electric light or water supply or drainage. 14% plus 1
- 2) Municipalities which provide electric lights only. 15% plus 1
- 3) Municipalities with electric lights and water supply. 20% plus 1
- 4) Municipalities with electric lights, water supply & drainage. 22% plus 1
- 5) Municipalities with electric lights, water supply, drainage and housing scheme for the poor. 23% plus 1

It was decided in G.O.Ms.No.2957 Edn. dated 23-9-49 that the rate of Education tax that may be permitted to be levied by Municipal councils should not exceed 25% of property rentals per annum.

The above rates are only conventional and it seems that they are intended for the guidance of the Govt. They need not perhaps be communicated to the Municipal Councils especially in view of the recent decision of the Cabinet at 'X'. The latter may be communicated to Municipal Councils. ~~Draft has been modified suitably in pencil.~~ A para has been added to the draft.

-4-
It may issue now. The draft as ~~modified~~ ^{added to} may now issue.

22/2/50 S

I would like the ~~provisional~~ ^{provisional} maximum to be indicated. It can be made clear that these will be ordinarily allowed. L.A. may see

L.A.



U.O. 51749/4802-Edn
23-2-50.

L.A. Dept. (A)

[This dept. last sent on p 2 ante.]

Please see the further note of the Edn. Dept. from page 2 above. It is understood that ~~some~~ ^{about} 25 Elementary Education Budgets gmt. ds. have been received. Many Budgets will be with the D.P.T. It is suggested that the rate of ~~the~~ ^{the} education ~~can~~ ^{may} be fixed ^(suitably in each case) while considering the Elementary Education Budget of this ind. for 1950-51.

As regards A on page 3 above, it has ^{been} proposed separately by the Education Dept. to incorporate the maximum rate of ~~property~~ ^{property} ~~the~~ ^{the} ~~liable~~ ^{liable} in the property rentals in the Elementary Education Act itself.

With these remarks, the file may be returned to Education U.O.

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Edn.

Some of the Budgets of the municipal Councils have been received and they are under examination. The Budgets of the remaining ~~local~~ ^{Councils} ~~Bodies~~ ^{by now} might have been received by the Director and ~~it~~ ^{they} will be submitted to Government shortly. In the circumstances, no useful purpose will be served by issuing a general order ^{now} on the lines indicated in the draft below. The Elementary Education Act is to be amended shortly prescribing certain maxima to regulate the rate of ^{length} Education Tax levied by District Boards and Municipal Councils. In the circumstances, it will be sufficient if the orders are passed in individual budgets fixing the rate of Education Tax in each case w.r.t. the needs of each Council. The papers in this file may be recorded. For orders

20: 947 En
Ms d/22-3-50.

Abstract: Tax -
Education - Rates of
levy - fixation in
accordance with the
provisions of the Elementary
Education Act -
Papers - Recorded.

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