

MADRAS RECORD OFFICE.

Government of Madras.

of
Financial

DEPARTMENT.

G.O. No. 525

Press
~~Mis.~~

Dated 19. 10. 1860

B/m. 41-46

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Not to be folded or roughly handled

*Proceedings of the Madras Government, Financial Department,
19th October 1860.*

Read again letter from Mr. ALEXANDER BARREN, dated 10th, and recorded on Proceedings of the 12th September 1860.

Read also the following papers :

No. 41. From W. BALMAIN, Esq., Officiating Civil Auditor, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 15th September 1860, No. 287.

With reference to the Proceedings of Government, No. 460 of September 12th 1860, I have the honor to state that copies of the "Income Tax Ready Reckoner" are not required for the use of my office. A Table in one sheet now in use showing the calculations up to Rupees 100 is found more convenient for quick reference.

The specimen is returned.

No. 42. From E. F. HARRISON, Esq., Sub-Treasurer, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 17th September 1860, No. 564.

With reference to the Proceedings of Government, in the Financial Department, No. 460, of the 12th instant, I have the honor to state, that the Income Tax Tables therewith received, will be of no use in the General Treasury.

I enclose for the information of Government, copies of the Tables I have prepared for the use of the Treasury. These Tables are more accurate, and more convenient for reference.

The Assessments principally made at the General Treasury, are, on the interest on Government Securities; the Tables sanctioned by the Government of India, has not been found convenient for such Assessments. I annex copy of a letter I have addressed the Financial Secretary to the Government of India on the subject.

Table for 4 and 2 per cent.						Table for 3 and 1 per cent.					
Principal.	Interest.		Principal.	Interest.		Principal.	Interest.		Principal.	Interest.	
	4	2		4	2		3	1		3	1
1-9	0-1		50-0	2-0			...	...	50-...	1-8	
3-2	0-2		51-9	2-1	1-0	2-1-4	0-1	...	52-1-4	1-9	0-8
4-11	0-3	0-1	53-2	2-2		4-2-8	0-2	...	54-2-8	1-10	
6-4	0-4		54-11	2-3	1-1	6-4-0	0-3		56-4-0	1-11	
7-13	0-5	0-2	56-4	2-4		8-5-4	0-4	0-1	58-5-4	1-12	0-9
9-6	0-6		57-13	2-5	1-2	10-6-8	0-5		60-6-8	1-13	
10-15	0-7	0-3	59-6	2-6		12-8-0	0-6		62-8-0	1-14	
12-8	0-8		60-15	2-7	1-3	14-9-4	0-7	0-2	64-9-4	1-15	0-10
14-1	0-9	0-4	62-8	2-8		16-10-8	0-8		66-10-8	2-0	
15-10	0-10		64-1	2-9	1-4	18-12-0	0-9		68-12-0	2-1	
17-3	0-11	0-5	65-10	2-10		20-13-4	0-10	0-3	70-13-4	2-2	0-11
18-12	0-12		67-3	2-11	1-5	22-14-8	0-11		72-14-8	2-3	
20-5	0-13	0-6	68-12	2-12		25-0-0	0-12		75-0-0	2-4	
21-14	0-14		70-5	2-13	1-6	27-1-4	0-13	0-4	77-1-4	2-5	0-12
23-7	0-15	0-7	71-14	2-14		29-2-8	0-14		79-2-8	2-6	
25-0	1-0		73-7	2-15	1-7	31-4-0	0-15		81-4-0	2-7	
26-9	1-1	0-8	75-0	3-0		33-5-4	1-0	0-5	83-5-4	2-8	0-13
28-2	1-2		76-9	3-1	1-8	35-6-8	1-1		85-6-8	2-9	
29-11	1-3	0-9	78-2	3-2		37-8-0	1-2		87-8-0	2-10	
31-4	1-4		79-11	3-3	1-9	39-9-4	1-3	0-6	89-9-4	2-11	0-14
32-13	1-5	0-10	81-4	3-4		41-10-8	1-4		91-10-8	2-12	
34-6	1-6		82-13	3-5	1-10	43-12-0	1-5		93-12-0	2-13	
35-15	1-7	0-11	84-6	3-6		45-13-4	1-6	0-7	95-13-4	2-14	0-15
37-8	1-8		85-15	3-7	1-11	47-14-8	1-7		97-14-8	2-15	
39-1	1-9	0-12	87-8	3-8							
40-10	1-10		89-1	3-9	1-12						
42-3	1-11	0-13	90-10	3-10							
43-12	1-12		92-3	3-11	1-13						
45-5	1-13	0-14	93-12	3-12							
46-14	1-14		95-5	3-13	1-14						
48-7	1-15	0-15	96-14	3-14							
			98-7	3-15	1-15						

(Signed) E. F. HARRISON, Sub-Treasurer.

*Proceedings of the Madras Government, Financial Department,
19th October 1860.*

From E. F. HARRISON, Esq., Sub-Treasurer, to the Secretary to the Government of India, Financial Department, dated Fort Saint George, 27th August 1860, No. 475.

With reference to the Orders of the Government of India, in the Financial Department, No. 6,858, dated 8th instant, forwarding a Table for the calculation of deductions on account of Income Tax, I have the honor to request that I be permitted to continue the use of the more accurate and more convenient Tables which I have prepared for the use of this office.

The Assessments principally made by the Sub-Treasurer, are on Drafts for interest, and the extent to which the Table which has been sanctioned will occasion loss, has perhaps, escaped observation.

Great numbers of Interest Drafts are issued for the amount of Rupees 12-8-0, that being the half-yearly interest at 5 per cent. on a Promissory Note for Rupees 500, the correct Assessment on Rupees 12-8-0 is at 3 per cent. 6 Annas, and at 1 per cent. 2 Annas, and this is shown at a glance by the Table annexed to this letter.

Colonel Hannington's Table on the other hand necessitates a multiplication by 3 and a reference to two different parts of the Table for the 3 and 1 per cent. rate, and gives a result which abandons 25 per cent. of the correct Assessment. To gain two Annas on every Interest Draft would be an inducement sufficient to cause holders of several Notes for 500 each to send them in separately for realization of Interest, thereby causing additional work in the office of the Accountant General, as well as in the Treasury.

A more serious objection to the use of the Table you have forwarded is its want of accuracy in the 3 per cent. column, in the preparation of the Table, the fact that the last two figures of any multiple of 3 are not themselves necessarily multiples of 3, appears to have been overlooked. The Table has been formed apparently by taking the nearest multiple of 3 above each sixteenth of 100; thus, against 1 Anna is placed 9, the nearest multiple of 3 above $6\frac{1}{4}$, but the number 36 multiplied by 3 gives 108, showing that the principle on which the Table is made is wrong.

It will be found on trial that the Table gives erroneous results in calculating the per centage on the following sums, 36, 38, 40, 42, 44, 46, 48, 50, 61, 63, 65, &c.

The error is most apparent perhaps in the case of 50. It is sufficiently plain that 3 per cent. on Rupees 50 is 1-8-0, but the Table gives 1-7-0.

As the defect I have noticed above, would be remedied by modifying the Table to the form in which it has appeared in the public newspapers. I still wish to represent that the multiplication of every amount in Rupees by 3 or by 4 will be very inconvenient in practice.

For example, on the 23rd instant, Interest Drafts for the following among other amounts were paid at this office, Rupees 2,696, Rupees 1,914, Rupees 1,874, Rupees 1,404. Any Clerk, would, with my Table before him, determine the amount of Income Tax on the above sums, without putting any part of the operation on paper; he could trust himself to multiply 26 or 19 or 18, mentally, and a glance at the Table would show the sum to be added for the fractional part; he would, however, in multiplying the entire sum of Rupees 2,696 think it necessary to make the calculation on paper and nothing would be saved for reference to the Table would be equally necessary.

I may also mention that the abandonment of the fractions of a Rupee causes in some cases a positive inconvenience, such monthly Salaries as Rupees 4,166-10-8, 2,333-5-4, may be instanced—3 per cent. on the above sums is 125 and 70 respectively, by the Table, however, a process of multiplication has to be gone through in order to arrive at the inconvenient amounts of Rupees 124-15-0, and Rupees 69-15-0.

No. 43. From F. LUSHINGTON, Esq., Acting Accountant General, to the Chief Secretary to Government, Fort Saint George, dated 21st September 1860, No. 200.

With reference to the Order of Government, No. 460, dated the 12th current, inquiring whether the Tables* for computing the Income Tax compiled by Mr. Barren will be of any use, I have the honor to report that I have looked over the work and find that it will afford some facility in the expeditious calculation of quarterly as well as monthly deductions from Incomes.

* Herewith returned.

*Proceedings of the Madras Government, Financial Department,
19th October 1860.*

2. This Department can dispose of 20 copies for Departmental use and distribution to Paymasters, &c.

No. 44. From F. LUSHINGTON, Esq., Acting Accountant General, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 24th September 1860, No. 202.

With reference to my letter, No. 200, dated 21st instant, I have the honor to observe in continuation that Mr. Barren's Income Tax Tables are open to serious objection, inasmuch as the quarterly amount is merely the monthly sum multiplied by 3. This never can have been the intention of Government, for it entails a considerable and unnecessary loss to the State, as thus:—

27 Rupees at 3 per cent. for one month,	Rupees 0-12-11-52
for three months	„ 2- 6-10-56
Mr. Barren gives for one month.....	„ 0-12- 0-0
for three months.....	„ 2- 4- 0-0
thereby making a difference of	„ 0- 2-10-56

and involving a loss of 24 Pies in 432 Pies or upwards of five and a half per cent. (5-555).

2. There does not appear to be any reason why, in order to arrive at the amount of tax for a quarter, or three months, the tax should be first reduced to unity, and then multiplied by three. The tax is on the annual income, and the simple mode would be to assess the annual tax and divide by four, from the amount so obtained the pies are to be struck off, but they should be eliminated at the end instead of at the beginning of the process.

No. 45. From R. S. ELLIS, Esq., Special Commissioner for Income Tax, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, in the Financial Department, dated 9th October 1860, No. 17.

In reply to Government Order, 12th September 1860, No. 460, Mr. Barren's Tables appear to me calculated to afford a quicker method of calculating the Income Tax on large sums than the Ready Reckoner appended to the act.

Half a dozen copies would be useful in my office.

No. 46. ORDER THEREON, 19th October 1860, No. 525.

Both the Civil Auditor and Sub Treasurer report that the Income Tax Tables prepared by Mr. Barren will be of no use in their Offices, and that the Tables in use there already are more convenient for reference. The Acting Accountant General in his second letter of the 24th ultimo, considers Mr. Barren's Tables to be open to serious objection, and shows that, if adopted, it will entail considerable and unnecessary loss to the State.

2. Under the opinions above expressed, resolved that Mr. Barren be informed that the Government do not require any copies of the Tables compiled by him.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. T. O'Connor.

Financial Depart.

Proceedings of the Madras Government.

Read again letter from
Mr. Alex. S. Barrow dated 10
and recorded in Proceed-
ings of the 12 Sep. 1860.

Read the following
letters:

From the Civil Auditor -

(dated 10 Sep. 1860 - No. 287)

From the Sub Treasurer

(--- 14 --- 504)

From the Agent General.

(--- 24 & 24 --- 200 & 202)

From the Special Comptroller
General for Income Tax.

(--- 9 Oct. --- No. 17)

Order thereon. 14 October 1860. No. 525.

Both the Civil Au-
ditor and Sub Treasurer
report that the Income
Tax Tables prepared by
Mr. Barrow will be of
no use in their Offices,
and that the Tables in
use there already are
more

W. M.
G.
G.

more convenient for re-
ference. The Asst Secun-
-tant General in his se-
-cond letter of the 24th letter
considers Mr Barren's
Tables to be open to serious
objection, and shows that
if adopted, it will en-
tail considerable and
unnecessary loss to the
State.

2. Under the opinions
above expressed, the Govt
~~are not disposed to~~
take any copies of the
Tables compiled by Mr.
Barren him^x.

JF-

do not require

To Mr Alex^d Barren. para 2 only. disp^d 19th Oct/60.
 " Asst^d General.
 " Com^r Auditor
 " Sub Treasurer.
 " Special Commissioner
 for Income Tax
 at Madras. } Sep. 25th
 with copy of Asst
 General's letter -

J.D.F.

Resolved that Mr
Barren is informed
that

under him the
resolutions are
with whom
etc

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