M.R.O. 1—77,006—8-6-37.

(1) Number of pages 12

(2) Date of repair 14. 7. 37

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 615 Press
~~Mis.~~

78-79.

Dated 18. 9 1863.

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Not to be folded or roughly handled

14-7-37

Proceedings of the Madras Government, Financial Department, 18th September 1863.

No. 78. Read the following Proceedings of Government in the Revenue Department, dated 11th September 1863, No. 1,681.

Communicating letter from Secretary to Government of India, stating, in correction of an error, that the Civil Fund, and Civil Annuity Fund in Madras, were intended to be included among the Service Funds to share the benefits held out by Financial Resolution, No. 13,962 *of* 25*th November* 1861.

(Vide Proceedings Revenue Department, dated 11th September 1863, Nos. 162 and 163.)

No. 79. ORDER THEREON, 18th September 1863, No. 615.

To be recorded.

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

Exd. T. O'Connor.

REVENUE DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following Extract from the Proceedings of the Government of India in the Financial Department:—

Transmitting a Resolution on the subject of exempting certain Funds from liability to Income Tax, for communication to the Managers of the Funds, and for a report of the decision of the Managers of those Funds on the within mentioned proposal. (Here enter 25th November 1861, No. 13,962)

ORDER THEREON, 24th December 1861, No. 2,372.

Military Fund.
Medical Fund.
Apothecaries' Fund.

1. Ordered to be communicated to the Managers of the Funds noted in the margin with a request that the reports called for by the Government of India may be furnished at an early date.

2. The letter from this Government, dated 31st May last, No. 1,123, and referred to at the head of the foregoing extract, relates to that of the Sub-Treasurer recorded in Government Order of the same date, No. 1,122. A copy of the extract in question will therefore be furnished to Mr. Balmain.

3. With their letter of 11th September last, No. 1,801, also noticed by the Supreme Government in their present Resolution, this Government forwarded for orders the correspondence received from the Accountant General and Secretary Military Fund, and recorded in Government Order 11th September No. 1,800.

(True Extract.)

(Signed) J. D. SIM,
Secretary to Government.

To the Board of Revenue.
" President Income Tax Commission.
" Special Commissioner of Income Tax.
" Accountant General.
" Civil Paymaster.
" Sub-Treasurer.
" Secretary Military Fund.
" Medical do.
" Apothecaries' do.
" Military Department.

Exd. R. H. Lee.

No. 1362.

EXTRACT from the Proceedings of the Government of India, in the Financial Department, d. 25th November 1861.

READ the under-mentioned papers on the subject of exempting certain Funds from liability to Income Tax :—

Financial Resolution, No. 3212, dated 16th March last.

Letter to the Solicitor to the Government, No. 3342, dated 27th idem.

Ditto from Ditto, No. 70, dated the 17th May last, with a copy of the Advocate General's opinion.

Ditto to Ditto, No. 6469, dated 3rd June last.

Letter from Secretary to the Bengal Uncovenanted Service Family Pension Fund, No. 747, dated 31st May.

Financial endorsement, No. 6507, dated 4th June last.

Letter from Government of Bombay, No. 169, dated 5th idem.

Ditto from Government of Madras, No. 1123, dated 31st May last, and its enclosure.

Ditto from Solicitor to Government, No. 219, dated 21st June last, with copy of the Advocate General's opinion.

Ditto to Ditto, No. 7716, dated the 24th idem.

Ditto from Civil Auditor, Madras, No.———,dated 22nd idem.

Ditto from Solicitor to Government, No. 264, dated 9th July last, with draft bill and copy of Advocate General's opinion.

Ditto to Ditto, No. 9351, dated 30th idem.

Ditto from Ditto, No. 488, dated 11th September last, with a draft bill and copy of the Advocate General's opinion.

Ditto from Government of Madras, No. 1801, dated 11th September last, and its enclosures.

Advocate General's opinion, dated 25th October 1861.

RESOLUTION.—On a re-consideration of the entire question of exempting the several Service Funds, and other similar Funds (which have not been specially exempted as "religious" or "charitable") from the incidence of the Income Tax, in respect to such portions of the income of the Funds as are by the Act chargeable with it, the Governor General in Council observes, that without a change of the law the Managers of the Funds in question cannot be appointed Assessors in respect of the income derived by individuals from the Funds, nor be authorized to deduct from the pensions or allowances paid

the tax upon that proportion of them, which represents the subscription, as distinct from that which represents the income from Government securities, or property, and that great inconvenience will be caused both to the Funds and their officers, and to the officers entrusted with the duty of assessing, or levying Income Tax, if the strict requisition of the Act were complied with, by distinguishing between those portions of the income of the Funds, which are subject to Income Tax in the first instance (such as Government securities), and those which are not (such as subscriptions of Members), and consequently between those portions of each recipient's pension, or allowance paid from the Funds on which he is individually chargeable with Income Tax, and that portion on which he is not so chargeable by reason of the tax having been already deducted from the Fund out of which it is paid.

His Excellency in Council is willing therefore to forego a portion of the rights of Government in regard to the tax payable from the sources now subject to its incidence, whether derived from Government securities or not, provided the Managers of the Funds will undertake to afford the Government the means of ascertaining what Income Tax is chargeable upon the individual recipients of pension allowance from the Funds in this country, by furnishing to the Accountant General to the Government, yearly lists shewing the names and addresses of the pensioners, with the amount of pension paid to each of them. If the Managers of the Funds do not accept the above proposal, and undertake to deliver such lists, His Excellency in Council cannot interfere to relieve either the income of the Fund, or the individual recipient from the strict incidence of the tax, and on failure after acceptance to deliver a yearly list, the Government will also leave the law to take its course.

If the proposal is accepted and the yearly lists rendered, no deduction will be made from any portion of the income, or consequently from any of the pensions or allowances paid by the Fund, on account of the Income Tax. But each individual pensioner or recipient will be liable to return the amount of the pension or allowance considered as income liable to the tax, and will be chargeable on his return, unless be can establish a special case for exemption by reason of his whole income being under the chargeable amount, such return being made to and the tax being assessed by the Commissioner or Collector within whose district the recipient, if a house-holder, has his dwelling-house, or if engaged in trade or a profession, carries on such trade or profession, or if not a house-holder nor engaged in trade, ordinarily resides. The assessment will in every case be under schedule 2, the duty being charged in respect of annual profits not charged by virtue of any other schedule of the Act.

On delivery of the yearly lists to the Accountant General, that officer will furnish copies thereof to the Commissioners or Collectors within whose districts the recipients reside, and the Managers of the Funds will be at liberty

to apply for, and make refunds of all sums levied by them on account of Income Tax under the provisions of paragraph 14 of the Financial Resolution, dated 16th March last, and paid into the Government Treasury.

ORDERED, that a copy of the above Resolution be sent to the Military Department and to the officers* noted in the margin; also to the Managers of the Bengal Civil Annuity Fund, the Bengal Civil Fund, and the Bengal Uncovenanted Service Family Pension Fund, with a request that the decision of the Managers on the above proposal be communicated to this Department for the information of Government.

* Accountants General to the Governments of India, Madras and Bombay.

Also, that a copy of the above Resolution be sent to the Governments of Madras and Bombay, for communication to the Managers of the Funds noted in the margin † and for a report of the decision of the Managers of those Funds on the above proposal.

† Madras.—Military Fund, Medical Fund, and Apothecaries' Fund. Bombay.—Indian Navy Fund, Medical Fund, Military Fund, Provident Fund, and Uncovenanted Service Family Pension Fund.

(A true Extract)

Secretary to the Government of India.

168-169 9

REVENUE DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following letter from the Secretary to the Government of India, Financial Department, to the Secretary to the Civil and Annuity Funds, dated Council Chamber, 19th December 1861, No. 14,470:—

SIR,

1. I am directed to acknowledge the receipt of your letter of the 6th instant, announcing the acceptance on the part of the Managers of the Civil and Annuity Funds of the conditions on which the Government proposed to exempt Service Funds from the incidence of the Income Tax, and enquiring, with reference to the annual list of the names, residences, &c., of Annuitants and Pensioners, which must now be furnished to the Accountant General, whether in the case of parties who reside out of India, and draw their pensions or annuities through Agents, the names and addresses of the Agents will answer the purposes of Government.

2. In reply I am desired to inform you that in such cases the names and addresses of the Agents will suffice.

(Signed) C. HUGH LUSHINGTON,
Secy. to the Govt. of India.

To the Government of Madras for information and guidance.

ORDER THEREON, 21st January 1862, No. 84.

Forwarded for the information and guidance of the Departments, &c., to which G. O. 24th December last, No. 2,372 was communicated.

(True Extract.)
(Signed) C. G. MASTER,
Deputy Secretary to Government.

To the Board of Revenue.
" President Income Tax Commission.
" Special Commissioner of Income Tax.
" Accountant General.
" Civil Paymaster.
" Sub-Treasurer.
" Secretary Military Fund.
" Medical Fund.
" Apothecaries' Fund.
" Military Department.

Exd. S. T. Augustin.

Proceedings of the Madras Government, Revenue Department,
11th September 1863.

No. 162. Read the following letter from E. H. LUSHINGTON, Esq., Secretary to the Government of India, Financial Department, to the Secretary to the Government of Madras, dated Fort William, the 5th August 1863, No. 3,617:—

SIR,

I am directed to inform you, in correction of an inadvertent omission, that the Civil Fund and Civil Annuity Fund at Madras were intended to be included among the Service Funds which are to share in the benefits held out by the Financial Resolution No. 13,962, dated the 25th November 1861.

Ordered that a copy of the above letter be sent to the Deputy Auditor and Accountant General, Madras.

No. 163. ORDER THEREON, 11th September 1863, No. 1,681.

1. Communicated to the Managers of the Civil Fund and Civil Annuity Fund with copies of the orders of the Government of India, dated 25th November, No. 13,962 and 19th December 1861, No. 14,470, and recorded respectively in the Proceedings of this Government 24th December 1861 and 21st January 1862, Nos. 2,372 and 84.

2. Communicated also to the authorities noted below:—

Board of Revenue.
President Income Tax Commission.
Civil Paymaster.
Accountant General.
Financial Department, with copies of the two orders above quoted.

(True Extract.)

Secretary to Government.

To the Managers of the Civil Fund and Civil Annuity Fund, with G. O. Nos. 2,372 and 84.
„ Board of Revenue.
„ President Income Tax Commission.
„ Civil Paymaster.
„ Accountant General.
„ Financial Department, with copies of the two orders above quoted.

Exd. S. T. Augustin.

Dist. Dept.

Finl. 1863 Dept.

Prov: Govt in the
Rev dept
No 1681

Order No 615 of 18th Sept 1863.

Dated 11th
Read 14th } Sep 1863.

3 Encl. 14 Sept Open

No 616

Communicating to the
Hon Secy to Govt of India, stating
in connection with an Error, that the
Civil Fund, & Civ Annuity Fund
in Madras, were intended to be
included among the Service Funds,
& share the benefits held out by
Fin Resn No 13, 962 of 25 Augt 1863

Recorded

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