

Local & Munl. **INDEXED** (1897) Department.

MISCELLANEOUS.

G.O., No. 49 / M

DATED 16-1-97

[Despatch Abstract.]

Profession Tax.

Recd. in the reference to G.O. No. 2134 of 19-12-96 letter from the Engineer in Chief, Madras Railway in regard to the — imposed on the members of his office

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

FURTHER PAPERS.

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

Local & Munl. (1896) Department.

CURRENT No. 3384 M

From

The Public Works Department
Railway Branch

huse

Order. No. 49 Muni d/ 16. 197

Recorded with reference

to G.O. No. 2134 N. dated 19th December

1896.

V.A.

15/1/97

[Signature]

No. 4957 e

Dated 18th December 1896.

Received

Registered

Enclosures

Spare copies

SUBJECT.

Professional Taxes.

Transferring letters
from the Engineer-in-Chief
Bengal & Madras Rly on the
subject of —

To

The Public Works Department

Supp-16/1/97

14/1 2/15/1

BACK PAPERS

G.O.	No.	Department.	Date.
for	2134	h/h	19-12-96

FURTHER PAPERS.

G.O.	No.	Department.	Date.

R. Form No. 11

No. 4957e

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

MEMORANDUM.

Dated Madras, 18th December 1896.

Letter from the Engineer-in-Chief, Bezwada-Madras
Railway, No:A/6774 dated 9th December 1896.
351

Letter from the Engineer-in-Chief, Bezwada-Madras
Railway, No:A/6834 dated 11th December 1896.

Letter from the Engineer-in-Chief, Bezwada-Madras
Railway, No:A/6846 dated 12th December 1896.
351

Transferred to the Local and Municipal Department,
in continuation of Public Works Department Endorsement No:

for 2134 h/h 196. 4303 C., dated 20th November 1896.

[Signature]

Offg: Joint Secretary.

To,

The Local and Municipal Department.

In your reply please quote
the number and date of
this letter.

No. *A/6744*
351

From

THE ENGINEER-IN-CHIEF,

BEZWADA-MADRAS RAILWAY,

To

THE Consulting Engineer for Railways

Madras.

Dated, Madras, the *9th* December 189*6*.

In continuation of my No. A 6348/351 dated 16th November

last I have the honour to forward you a copy of a letter from Mr. Lyle to the President of Madras Municipality. This letter was written after the hearing of the appeal in which Mr. Lyle appeared on our behalf. I may add that the Municipal Act states that this Professional tax is only to be exacted if considered necessary from which it would appear that Government never contemplated its being made a regular annual tax. It therefore appears that the tax was only expected to be levied under exceptional circumstances, as for instance when the Municipality were engaged in carrying out new works of public utility. If the Madras Government concurs in this view, I would suggest that the Municipality be called upon to show what the exceptional circumstances are which necessitate this extra tax being levied. I may point out that it is a tax for which it appears to me that the tax payer gets no return. In the case of other taxes he knows what he is getting in return for the tax. It appeared to Mr. Lyle in the appeal that the President and his fellow commissioners were of opinion that Presidency allowance and Exchange Compensation Allowance should not be taxed

Enclosures.

but on the representation of the Revenue officer that he had taxed these al

allowances in other cases, which representation was not at the time upheld

by any proof, it was decided to take legal opinion in the case.

I have the honour to be

Sir

Your most obedient servant

E. J. Moore

Engineer-in-Chief.

R.
29/12

receive a percentage on half salary equal to the proportion by which the
remittance or half ^{that} percentage

Copy of a letter No. 6738 dated 8th December 1896 from Mr. Lyle, Exe-
cutive Engineer, Personal Assistant To Engineer-in-Chief E. M. Ry, to the Pr
Municipal Council.

In accordance with the decision arrived at by you this morning
a legal opinion as to whether Exchange Compensation Allowance and Presio
Allowance can be included in the Salary of a Government officer, I have
honour to give you my reasons for considering that they are not part of
Salary of an officer. I think it is strange that I should be called on to
prove that two allowances are allowances and not "Salary". It appears to m
that the fact of the very word allowance being used in each case should be
sufficient to prove that it is an allowance. I am taking my stand on the ia
which, I ^{understood,} ~~understand,~~ was agreed on this morning that an officer is taxed on
his "Salary" and not his "Income". Though, if necessary, I am prepared to
prove that Mr. Moore and myself have been taxed on an amount which is also
in excess of our respective incomes.

I give below the definitions of Salary as given in the Civil Service
Regulations and also as given in the Municipal Act.
Salary.

Definition in C. S. R. Art. 47 [c]. Salary means the sum of pay and
acting allowances or charge allowance under Chap. * * * *
Note.

3. Salary does not include House Rent Tentage or T. A. * * * *
nor does it include a Local Allowance.

Definition of salary in Municipal Act page 22

allowance for house rent, carriage hire, or travelling expenses. -

latter definition, neither Exchange Compensation Allowance nor Agency Allowance can be said to come under any of the heads mentioned either as being included in Salary or excluded from it. We must therefore turn as the best authority to the Government of India's orders

these allowances to discover if they are meant to form part of an officer's salary or of his allowances.

Appendix T to Vol. I of P. W. D. Code shows Presidency allowance as a local allowance. It is therefore not considered as being part of an officer's salary in Government of India's definition of "Salary" shown above which excludes Local allowances.

Exchange Compensation Allowance.

The Rules regarding the grant of Exchange Compensation Allowance are published with Finance Department Resolution No. 36244 of 18th August 1893. Extracts are.

1. The allowance admissible under these rules is called Exchange Compensation allowance. It is granted to European and Eurasian officers of Government not domiciled in India to compensate them for the extra cost of remittance to Europe occasioned by the fall of the value of the Rupee below $\frac{5}{13}$ which is herein called "privileged rate".
2. The allowance is granted with the view of enabling every European or Eurasian officer of Government not domiciled in India to remit to Europe half his Salary at the privileged rate subject to a maximum of 1000 £ a year.

* * * * *

Officers will be enabled to remit half salary at the privilege rate if they

receive a percentage on half salary equal to the proportion by which the privileged rate exceeds the market rate of remittance or half ^{that} percentage the full salary. The allowance is accordingly given in the form of a percentage on the full salary drawn limited to the amount which would be admissible on a remittance of 1000 £.

I think these extracts conclusively prove that the Exchange Compensation allowance is an allowance given for a specific purpose and that except for the extra work and trouble, which would have been incurred, it would have been paid to our bankers in London in sterling fixing an arbitrary rate of $\frac{5}{13}$ on the Rupee instead of being given in the form in which it is. The Accountant General has already ruled that it is not to be taken as part of Salary for the purpose of calculating furlough and pension allowances. Further questions arise such as whether contributions to a compulsory Provident Fund and a Family Pension Fund are taxable. The amounts in the former is never received by the member till after retirement and the amount subscribed to the latter can never, of course, be enjoyed by the subscriber.

RB
9/12

No. 1 TO E. R'S. C. No. 3396 OF 1896
LETTER No. 14674 D 9-12-96
FROM *Helping the B.M.K.*

In your reply please quote
the number and date of
this letter.

No. *A/6834*

From

THE ENGINEER-IN-CHIEF,

BEZWADA-MADRAS RAILWAY,

To

THE Consulting Engineer for Railways

Madras.

Dated, Madras, the *11th* December 189*6*

Sir

In continuation of my No. A 6774/351 dated 9th instant I have the honour to call your attention to the supplement to the Gazette of India 21st October 1896 in which there is a review of Municipal Administration. I ally wish to call your attention to the table in Para 12 and the remarks in Para 17.

I do not think the condition of Madras is such as to necessitate Municipality being obliged to call for contributions from Government servants and others temporarily stopping in Madras, at present they even take contributions from temporary subordinates and clerks.

I have the honour to be

Sir

Your most obedient servant

J. G. Dyle
for Engineer-in-Chief.
8/12/96

*Transfer to Salim in continuation
from previous ref. JHT 14/12*

Enclosures.

*3
3304 No. 6834*

In your reply please quote
the number and date of
this letter.

No. *A/6846*
351

14/12

From

THE ENGINEER-IN-CHIEF,

BEZWADA-MADRAS RAILWAY,

To

THE Consulting Engineer for Railways

Madras.

Dated, Madras, the *12th* December 1896.

Sir

In continuation of my No.A 6834/351 dated 11th instant re Professional tax assessed by the Municipality I have the honour to call your attention to Vol.I of P.W.D. Code appendix D para 2 which states that deposits to C. B. Provident Fund may be not less than 5 or more than 10 per cent on the salary [as defined in the Civil Service Regulations] ^{also} and to the Enclosure to Accountant General's circular No.18 of 1893 para 10 which states that Exchange Compensation Allowance is not to be taken into account in calculating these subscriptions] It is therefore not salary.

I have the honour to be

Sir

Your most obedient servant

G. D. K.
for Engineer-in-Chief.

12/12

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AGAIN G.O., No.
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