

(1) Number of pages 6

(2) Date of repair 16-4-48

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

MUNICIPAL DEPARTMENT.

G.O. No. 1078

Press
Mis.

Dated

25.10.1886.

Not to be folded or roughly handled

11TH OCTOBER 1886, No. 872, REVENUE.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—again the following G.O., dated 26th August 1886, Mis. No. 860 M., Financial:—

Read—the following letter from the Chairman, Municipal Council, Madura, to the Chief Secretary to Government (through the Deputy Collector on General Duties, and the Collector of Madura), dated 30th June 1886, No. 19:—

- In forwarding herewith copies of correspondence noted in the margin, I have the honor to bring to the notice of Government that Government promissory notes for Rs. 20,000 being surplus Prince of Wales' Fund which was handed over to the Municipal Council for expenditure on the Vaigai bridge were sent to the Bank of Madras for being sold. In remitting the proceeds, the Bank has deducted Rs. 12-3-10 on
1. Chairman's letter, No. 929, dated 22nd June 1886, to the Bank of Madras.
 2. Letter No. 1614, dated 24th June 1886, from the Bank of Madras to the Chairman.
 3. Sale memorandum of Government promissory notes received from the Bank of Madras.

account of income-tax at 5 pies in the rupee on an interest of Rs. 470-2-8, and, in explanation of this procedure, they state Act II of 1886 does not exempt municipalities. Government have, in their order, No. 2260, dated 22nd September 1886, directed that this fund should be shown under "Endowments," all incomes derivable from which are, under the Act, exempt from taxation. Under such circumstances, I request Government will be pleased to order the refund of the sum deducted by the Bank.

ENCLOSURES.

Letter from the Chairman, Municipal Council, Madura, to the Bank of Madras, dated 22nd June 1886, No. 929.

Has the honor to point out that, in the sale memorandum of Government promissory notes received with Bank's letter of the 8th instant, the sum of Rs. 12-3-10 has been calculated at 5 pies in the rupee on Rs. 470-2-8 being interest on their plus to unded account of income-tax. To be informed how that was done when Government order, No. 2260 dated 22nd September 1884, Financial, directed that the whole amount of funds raised for the reception of His Royal Highness the Prince of Wales on Madura should be shown as "Endowments" which is, under the Act, exempt from taxation. Under these circumstances, it is requested that the amount, viz., Rs. 12-3-10, be refunded to this office at an early date.

Letter from J. L. DUFFIELD, Esq., Deputy Secretary and Treasurer, Bank of Madras, to the Chairman, Municipal Council, Madura, dated Madras, 24th June 1886, No. 1614.

Referring to your letter of 22nd instant, No. 929, claiming Rs. 12-3-10, being interest on tax charged at 5 pies per rupee of Rs. 470-2-8* on your Government promissory notes.

* Rather Rs. 470-2-8. sold on your account, I beg to inform you that Act II of 1886 does not exempt from taxation. If you have special grounds for exemption you must apply to Government for refund. The Bank being purchasers of the said paper will have to pay the usual 5 pies.

No. 246.

Submitted.

2. The Government Order last quoted is 22nd September 1884, No. 2260, and not 22nd September 1886, No. 2260.

MADURA,
9th July 1886.

(Signed) E. TURNER,
Collector.

Order—dated 26th August 1886, Mis.No. 860 M., Financial.

G.O., 2nd August 1886, No. 742M., will be cancelled and the letter read therein transferred with the remarks of Honorable Members thereon to the Revenue Department for the issue of the necessary orders. It will be observed that the sum of Rs. 20,000 referred to is a contribution or donation and not an endowment. The account head "Endowments, &c.," includes such contributions or donations.

(True Extract.)

(Signed) E. S. LAFFAN,
Under Secretary.

To the Revenue Department, with papers, in original,
and Honorable Members' remarks thereon.
,, the Chairman, Municipal Council, Madara, through the Collector.

ORDER—dated 11th October 1886, No. 872, Revenue.

Miscellaneous.

Ordered that the following letter be
despatched :—

(Here enter No. 873, dated 11th October 1886.)

(True Extract.)

[Signature]
Secretary to Government.

To the

of Revenue.

This

L. S. J. S.

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REVENUE.

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G.O., 11th October 1886, No. 872.

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Miscellaneous.

FINANCIAL DEPT.

G.O., DATED 25th Oct/86

No. 1078 M MIS.

When given for copying

[Despatch Abstract.]

*Income tax. Recording
G.O. No. 1078 directing
that the Govt. of India
be addressed on the
question as to the lia-
-bility to — of interest
on Govt. securities
belonging to — munic-
-cipality.*