M.R.O. 14—10,000—21-5-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 807 Press ~~Mis.~~

168-169

Dated 10. 4. 1861.

Not to be folded or roughly handled

No. 168. Read the following letters:—

From W. WATERFIELD, Esq., Officiating Civil Auditor, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated 14th March 1861, No. 177.

Sir,

At the desire of the Civil Judge of Tanjore, I have the honor to refer for the decision of Government an objection* raised by Dr. Doyle Zillah Surgeon of Combaconum, to my literal interpretation of Section 136 of Act XXXII of 1860. Taking that Section with 134, I do not see how it can be understood to contain any reservation on account of service funds.

* *Letter No.* 14 *of the 4th instant to be returned.*

From Doctor DOYLE, Zillah Surgeon, Tanjore, Combaconum, to the Acting Civil Judge of Tanjore, Combaconum, dated 4th March 1861, No. 14.

Sir,

I have the honor to acknowledge your letter, No. 182, dated 19th February 1861, enclosing a letter from the Officiating Civil Auditor as per margin, in which I am retrenched Income Tax on 300 Rupees paid to the Madras Medical Fund in October and November last, for the purchase of Mrs. Doyle's pension; and in which he refuses to allow any deduction for Income Tax, on account of money paid in December and January last to the Medical Fund for the same purpose, grounding his refusal on Section 136 of the Income Tax Act.

No. 125.
15*th February* 1861.

Against this decision I beg to urge First. I doubt strongly whether Section 136 is intended to apply to "official deductions which are exempted from Tax"—see rule 12 Section 6. *This is an official deduction* as it is compulsory on Medical Officers to pay for their wives' pension by monthly subscription or donation.

Second. I believe such subscriptions and donations to Madras Medical Fund have been specially exempted from Income Tax, see Proceedings of Madras Government, 3rd January 1861, page 103.

Third. If the Civil Auditor is still of opinion that I am liable to Income Tax on this money paid to purchase my wife's Pension, I beg that the following question may be referred for the decision of Government, viz., are Medical Officers liable to Income Tax on account of their subscriptions or donations in lieu thereof, paid to the Madras Medical Fund for the purpose of purchasing pensions for their wives and children, it being compulsory for them to provide such pensions.

No. 169. From W. WATERFIELD, Esq., Officiating Civil Auditor, to C. G. MASTER, Esq., Deputy Secretary to Government, Fort Saint George, dated 26th March 1861, No. 99:—

Your Memorandum No. 99 of 23rd instant.

(1.) Upon the *whole*; as one-sixth of his allowances Rupees 60-1-9 is less than his Militarypay 60-14-0, and he was referred for exemption to the Military Department.

(2.) Believed to be Rupees 300 the same as in October and November; but the letter was forwarded to Government in original.

(3.) Donations: the amount required to purchase the difference between a pension of Rupees 1,000 and 700. Dr. Doyle says he is allowed his own time for payment.

(4.) See (1.) No exemption is due on the portion passed in the Civil Department.

Proceedings of the Madras Government, Revenue Department,
10*th April* 1861.

Ordered that the following letter be despatched.

No. 170. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 10th April 1861, No. 807 :—

SIR,

1. I am directed to request the Orders of the Government of India on a question relating to Section 136 of Act XXXII of 1860.

2. Dr. Doyle, Zillah Surgeon of Combaconum, paid to the Madras Medical Fund in October and November last, the sum of Rupees 300; and in the following December and January, a further sum, both being on account of his wife's pension.

3. The Civil Auditor declined under Section 136 of the Income Tax Act to allow any abatement of duties in respect of the said sums.

4. Against this decision Dr. Doyle has remonstrated. He argues that as by Rule 12 Section 100 of the Act, it is clear that "all official deductions" are to be exempted; and as the payments which he has made *are* "official deductions," inasmuch as it is compulsory on Medical Officers to purchase pensions for their wives and children by paying monthly subscriptions or donations in lieu thereof; he has a right to be exempted from Income Tax in regard to such sums.

5. In forwarding this remonstrance the Officiating Civil Auditor observes that taking Section 136 with Section 134, he does not see how the former can be understood to contain any reservation on account of service funds.

6. In strictness Mr. Waterfield is, doubtless, correct in his interpretation of the Act, but it appears to this Government that, in Dr. Doyle's favor, it may be said that, while the payments made by him on account of his wife, partake of the nature of a *donation*, the "periodical" payments referred to in Section 134 of the Act imply monthly or annual *subscriptions*; and that had he adopted the mode of payment by *subscription* instead of *donation*, the deductions from his allowances on this account would, in all likelihood, while exempt from Income Tax under Section 134, have escaped the proviso contained in Section 136, by reason of their amounts being within one-sixth of the total income; or in other words he would have had to pay no Income Tax on the *subscriptions*, while he is, at present taxed on his *donations*, though equal in total amount and paid for precisely the same purpose.

7. This is an anomaly, which, this Government conceive could not have been intended; and in drawing the attention of the Supreme Government to the case now reported, I am to recommend that it may be decisively ruled that payments similar to those noticed may be declared tax free whether exceeding or not one-sixth part of the whole income or profits.

No. 807

To

The Secretary to the Govt. of India
Financial Dept.

Sir,

I am directed to request the orders of the Govt. of India on a question relating to section 136 of Act XXXII of 1860.

2. Dr. Doyle, Zillah Surgeon of Combaconum in the Tanjore District, paid to the Madras Medical Fund in October and November last, the sum of Rs. 300; & in the following December and January, a further sum both being on account of his wife's pension.

3. The Civil Auditor declined under section 136 of the Income Tax Act to allow any abatement of duties in

~~ct of the said sums.~~

~~amount of these sums~~

~~one sixth part of the~~

~~amount of Income~~

4. Against this decision Dr. Doyle has remonstrated. He argues that as by Rule 12 section 100 of the Act, it is clear that "all official deductions" are to be exempted; and as the payments which he has made are "official deductions", inasmuch as it is compulsory on Medical officers to purchase pensions for their wives & children by paying monthly subscriptions or donations in lieu thereof; he has a right to be exempted from Income Tax in regard to such sums.

5. In forwarding this remonstrance the Officiating Civil Auditor observes that taking section 136 with section 134, he does not see how the former can be understood to contain

contain any reservation on account of Service Funds.

6. In striking Mr. Waterfield's ~~in~~ doubtless, ~~in this way~~ correct in his interpretation of the Act but it appears to this Govt. that, in Dr. Doyle's favor, it may be said that, while the payments made by him on account of his wife, partake of the nature of a donation, the "periodical" payments referred to in section 134 of the Act imply monthly or annual subscriptions; and that had he adopted the mode of payment by subscription instead of donation, the deductions from his allowances on this account would, in all or likelihood, ~~would~~ while exempt from Income Tax under section 134, have escaped the proviso contained in section 136, by reason of their

amounts

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part of the whole income or
profits.

C J W

Asst Sec
10th April 1867

Revenue 1861 Departt
Pro: of Govt for April -

No 807 -

To The Secretary to the
Government of India
Financial Departt

Dt 10th April 1861 -

From Govt of Sweden 29th
April /61 No 1178 - in reply 28th
May No 1107

The decision of the Govt
of India is requested in
regard to the exemption from
Income Tax, of subscrip-
tions and donations paid
to the Medical Fund by
Medical Officers, on account
of the pension of this family -

218-219

14-12-60

R. Office Memo

Dt 23-3-61

No 99