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MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 671	Press ~~Mis.~~
301-302	
Dated 18-4-	186 .

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 18th April 1861.

No. 301. Read the following Proceedings of the Madras Government in the Military Department, dated 26th March 1861:—

Read the following papers:—

From Major J. STEWART, Deputy Military Auditor General, to Colonel H. MARSHALL, Secretary to Government, Military Department, Fort Saint George, dated 25th March 1861, B.

SIR,

I have the honor to submit an appeal* from Lieutenant-Colonel D. Babington, Commanding the 22nd Regiment N. I., at Penang, requesting a re-consideration of the Order in Proceedings of Government, dated the 21st December last, No. 2,472, and, if it may be permitted, a reference to the Government of India on the subject of his liability to Income Tax in the Straits, with advertence to the official notification from the Supreme Government copied in the margin of his letter.

* *Dated Penang, 23rd ultimo, received with binder from the Paymaster Presidency, 18th instant.*

From Lieutenant-Colonel D. BABINGTON, Commanding 22nd Regiment N. I., to the Presidency Paymaster, Fort Saint George, dated Penang, 23rd February 1861, No. 85.

SIR,

1. I have the honor to acknowledge your letter forwarding copy of "Proceedings of the Madras Government," numbered 1,472, dated 21st December 1860, deciding that Madras Troops in the Straits of Malacca do pay Income Tax, notwithstanding its having been publicly notified from the Supreme Government (as per copy of official document submitted with my last to you on the same subject), that Act XXXII of 1860 is inapplicable as yet to the Straits; *vide* also per margin.

No. 393.

Official Memorandum.

"*The undersigned is authorized by His Honor the Governor to inform*
"*the Resident Councillor at Penang, that, under orders from Supreme*
"*Government, no steps will for the present be taken towards bringing*
"*Act XXXII of* 1860 *(Income Tax Bill) into operation in any*
"*part of the Straits Settlement.*"

(Signed) J. BURN, Capt.,
Secretary to the Governor,
Straits Settlement.

Singapore, Governor's Office,
27th August 1860.

2. I trust I shall not be deemed at all disrespectful (nothing being further from my thoughts) if I venture to solicit re-consideration of this decision, and (if I may so far venture) reference of the question to the Supreme Government, which appears from the orders published about the tax from time to time, to rule finally all such points, on the following, I respectfully submit, strong grounds.

3. I am quite aware of course that non-payment of the tax in the Straits, by the Madras Troops there, involves a larger consideration to the State, than that of a few individual cases; wherefore I do not now presume to raise any further question on the subject as embracing the Troops, than what has been already submitted, in the Supreme Government's postponement of the operation of the tax here, forwarded with my last to you on the subject. But as the tax scarce practically affects, I think, more than half a dozen simply Military Officers in the Straits (what with its incidence not touching Captain's pay, and exempting all portions of allowances which are of a compensatory nature), and therefore only affects the public revenue accordingly; while exemption from it here, particularly, is a matter of no small importance to myself individually, I will hope to be pardoned for humbly asking re-consideration of a decision adverse to me, on the grounds that, whereas the Madras Government has recorded that decision *declared* by on the *supposition* on its part that "the operations of the tax is only postponed in the Straits as regards income derived from property, &c., there possessed," I am in a position, from the references I have made here, to state, that not a Military Officer (or any other, Covenanted or not) in Civil employ, from His Honor the Governor downwards, pays, or has any anticipation whatever of

paying the tax on his public pay, while its operation is locally so postponed ; and, as their pay has now gone on in account with the Bengal Government for eight months, unchallenged, without deduction of the tax, it is clear *they* are not contemplated by the Supreme Government as liable ; and of course *their* income is no more than mine "derived from property, &c., here, "possessed." I venture to think i tvery possible the Madras Government is not aware of this fact which impression emboldens me thus to adduce it.

4. Further, a bountiful Government has granted to its Military Officers, detached over Seas to the service of that of the Straits, "Colonial Allowance" in declared indemnification for the (thus publicly admitted) great expense of the necessaries of life here. This is now unexampled elsewhere I believe, and I cannot persuade myself that when this is considered, Officers here who are so *helped to live* will be subjected to a tax, where they are so helped, from which other Military Officers with handsome allowances are exempted, in the same locality, owing to the locality being declared exempt. I may add that I draw considerably less "Colonial Allowance" than a Major does here, while my duties, as gratuitously commanding Penang without any staff, are not only far from nominal, but involve public practical pecuniary responsibilities to the extent of more than two lacs annually ; and while all native ranks under my command are considered to require, for the extra expensiveness of existence here, rations in addition to their extra batta.

5. It may be an argument for Officers, detached away here paying the tax, that they are paid from Indian revenues. But (besides that all other Officers are so paid who do *not* pay the Tax here) this is not so, I am informed on good local authority, at least in theory, the Straits Government being debited, in account with that of Bengal, with the pay, &c. of the Troops employed in the Straits ; and it being certain, I believe, that if Straits Revenue sufficed it would actually pay the Troops entirely, and probably does so to some extent.

6. I solicit the favor that you oblige me with specification of the particular items of my total receipts here, upon which tax is payable, as there are some I am not sure about from the information yet published.

7. I forgot to ask notice above to the fact that the Officers of Madras Troops here pay *very considerable* Municipal Tax to the Straits Government, both on their houses and on their horses and conveyances, which tax in India is provided for by Act XXXII of 1860, devoting thereto a portion of the Income Tax.

No. 185.

ADJUTANT GENERAL'S OFFICE.

The Provincial Commander-in-Chief has the honor to submit for consideration and orders, the accompanying letter from the Officer Commanding Troops in the Straits, dated 20th February 1861, No. 123, bringing to notice certain circumstances with a view to exempting Military Officers serving in the Straits from the payment of Income Tax.

(By Order.)

FORT SAINT GEORGE,
25th March 1861.

(Signed) W. G. WOODS, Lieut.-Colonel,
Adjutant General of the Army.

From Colonel G. BURN, Brigadier Commanding Troops, Straits, to Lieutenant-Colonel W. G. WOODS, Adjutant General of the Army, Fort Saint George, dated Singapore, 20th February 1861, No. 123.

SIR,

1. With reference to the Proceedings of the Madras Government, Revenue Department, dated 21st December 1860, No. 2,472 (a copy of which I have the honor to enclose), bringing the Troops serving in the Straits within the provisions of Act XXXII of 1860, I beg to submit the following for the consideration of His Excellency the Commander-in-Chief.

Proceedings of the Madras Government, Revenue Department, 18th April 1861.

2. By order of the Governor General in Council, No. 1,663, under date 8th August 1860, it is directed that until further orders no steps be taken towards bringing the Income Tax into operation in any part of the Straits Settlements, and acting upon the whole of the Civil Servants of Government as well as the Military Officers in Civil employ, whose salaries are drawn from precisely the same source as the Troops, with this difference only that the accounts of one are audited in Calcutta and the other in Madras, are entirely exempt as shown by the accompanying copy of letter (marked A) from Resident Councillor at this station.

3. Under these circumstances coupled with the fact that Officers in the Straits are already paying a Municipal Tax of 10 per cent. upon their houses, and a further tax upon horses and conveyances, I would, should His Excellency see fit, respectfully suggest that the subject may be referred for further consideration, as I feel assured it is not the intention of either the Madras Government, or the Government of India that the few Officers doing Military duty in the Straits, should be required to contribute to the Income Tax, which their more fortunate brethren in Civil employment, drawing salaries far in excess, are exempted by the Supreme Government from paying.

REVENUE DEPARTMENT.

Proceedings of the Madras Government, dated 21st December 1860, *No. 2,472.*

1. The Government observe, that although the operation of the Income Tax is postponed in the Straits it is so only as regards income derived from property, &c., there possessed. An Indian Officer at the Straits is in just the same position as an Indian Officer in Hyderabad, Travancore and other Foreign States, and is clearly liable for pay, &c., drawn from Indian revenues.

2. Ordered that the above decision be communicated through the Military Department for the information and guidance of the Military Auditor General.

(True Extract.)

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

From Captain R. MACPHERSON, Resident Councillor at Singapore, to Colonel G. BURN, Brigadier Commanding Troops in the Straits, dated Singapore, 14th February 1861, No. 191, (A).

SIR,

In reply to your letter, No. 107, of date the 13th instant, I have the honor to inform you that the operation of Act XXXII of 1860 in the Straits was postponed by an Order, No. 1,663, dated 8th August 1860, issued from the Home Department of the Government of India, and that no deduction is consequently made from the salaries of any of the Officers of Government on account of the Income Tax.

Referred to the Revenue Department.

(Signed) H. MARSHALL, Colonel,
Secretary to Government.

Ordered that the following letter be despatched.

No. 302. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 18th April 1861, No. 871.

SIR,

1. I am directed to request the orders of the Government of India on the following subject connected with Act XXXII of 1860.

2. Consequent upon Mr. Secretary Grey's letter of 8th August 1860, No. 1,663, conveying the desire of the Governor General in Council that no steps should be taken towards bringing the Income Tax Act into operation, in any part of the Straits Settlements, the question was

raised whether the said Act was applicable to Military and other Officers of the Madras Presidency, serving in the Straits Settlements. This Government considered* that the postponement of the operation of the Act affected only the case of income derived from property, &c., there possessed, and that as an Indian Officer serving in those parts is just in the same position as an Indian Officer in Hyderabad, Travancore and other Foreign States, he must be clearly liable to the tax for pay, &c., drawn from Indian Revenues.

* *21st December* 1860, *No.* 2,472, *Revenue Department.*

3. I am to add that one of the considerations which led this Government to pass their Order of 21st December last, was their belief that Officers in the English Army wherever stationed if paid from the English Treasury, are subjected to deductions from their pay on account of English Income Tax.

4. The decision has however been objected to by certain Officers affected by it, in letters recorded in the accompanying copy of Proceedings of this Government in the Military Department, dated 26th March 1861.

5. The point on which particular stress has been laid, is that no deduction on account of Income Tax has been made from the salaries of any of the Government officials employed in the Straits, whether Civil or Military.

6. Under these circumstances this Government deems it the best course to refer the question for the orders of the Government of India, and I am directed to solicit their decision upon it.

R. D.

Copied Dispd 19

No 871

To

The Secretary to the Government of India
Financial Department

Sir

I am directed to request the orders of the Government of India on the following subject connected with Act XXXII of 1860.

2 Consequent upon Mr. Secretary Grey's letter of 8th August 1860. No. 1663, Conveying the desire of the Governor General in Council that no steps should be taken towards bringing the Income Tax Act into operation, in any part of the Straits Settlements, the question was raised whether the said Act was applicable to Military and other officers of the Madras Presidency serving in the Straits Settlements. This Government considered that the postponement of the operation of the Act affected only the case of income derived from property there possessed: and that as an

21st December 1860 No. 2472.
R. D.

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C.J.M.

I have &c
St A St George
18th April 1861

For the Govt of India
Exemption of Pilly Officers
serving in the Straits from
the Income Tax.

371-372

21-12-60

Revenue 1861 Departt.
Pro: of Govt for April
1871.

To the Secretary to the
Government of India
Financial Departt.
D/ 18th April 1861.

From the Dy Sl 4th Aug 1860 No 1200
in Pro 22nd " " 1073.

Letter to Govt of India
requesting instructions
regarding the liability of
Military and other officers
of this Presidency serving
in the Straits Settlements
to Income tax.

No 301 & 302.