M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	908	Press Mis.
	372-373	
Dated	22-4-1861.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 22nd April 1861.

No. 372. Read the following letter from ARTHUR HALL, Esq., President, Income Tax Commission, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 17th April 1861, No. 50:—

SIR,

1. I have the honor to bring to the notice of the Government that as the Income Tax year draws towards a close, and in the progress which has now been made in the Assessments, it becomes evident that the estimate of five lakhs, which was made by the Commissioners, as the probable result of the Income Tax, in the Town of Madras, is not likely to be realized this year, and that as far as can be judged the collections will not much exceed three lakhs of Rupees.

2. This amount, as the yield of an Income Tax in a city of which the population is estimated at 7,00,000 is small, and this disproportion appears still more remarkable when it is known that the estimated Income Tax for the Town of Calcutta amounts to sixteen lakhs of Rupees.

3. There are many valid reasons for Madras proving thus unproductive; but before entering into any discussion of this subject, the Commissioners are very desirous to be able to certify to Government that the Income Tax has been, as a general rule, paid by all those liable to this impost.

4. The Commissioners have carefully watched the operations of the Assessors and their Subordinate Establishments, and they do not think that there has been negligence on their part, nor have they any reason to suspect any connivance between the lower grades of Native Income Tax officials and parties desirous to evade the payment of the Tax.

5. It is, however, possible from the want of experience on the part of the Assessors, that a considerable number of persons liable to the Tax, may have escaped notice, especially among the petty Native traders who occupy lodgings.

6. It has been suggested to the Commissioners that a certain fixed rate of remuneration would procure for them information regarding those who have evaded being served with notices, provided that the names of those who furnish this information are kept secret.

7. The Commissioners beg therefore to propose for the sanction of Government, that they should be allowed to remunerate any person who gives in to the Assessors the names of parties liable to assessment, with a percentage of five Rupees upon every hundred Rupees assessed, through the information thus afforded.

8. The informers would point out the persons who had not been served with special notices and their places of residence. In every other respect the Assessors would proceed in the usual manner. They would on receiving the names from the informers at once issue the special notices and make those persons send in their returns. These returns would then be dealt with both by the Assessors and Commissioners in exactly the same way as if the Assessors had served the special notices without the aid of secret information. In short, the work of the informers would only be to supplement the knowledge of the Assessors and their Conacápillais, by pointing out the names and residences of those who have evaded being served with notices.

9. The Assessors to whom this secret information would be communicated, would thus be able to judge whether their subordinates have wilfully omitted to serve many persons who were liable, and the information thus obtained would be valuable for the service of special notices next year.

10. The provisions of Section 237 of Act XXXII of 1860 do not apply to the object which the Commissioners have in view; for it will not be easy to convict parties, to whom this proposition refers, of wilfully evading the receipt of special notices and to inflict the penalties provided by the Act.

11. Should this plan, as an experimental measure, meet with the approval of the Government, the result could be reported at the end of one month.

No. 373. ORDER THEREON, 22nd April 1861, No. 908.

The Government have considered the Commissioners' proposal, but they are unable to give their sanction to the system of secret information which it contemplates, to which, in their opinion, there are serious objections.

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

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I have the honor to be,
Sir
Your most Obed.t Servant,

Arthur Hall

President

Revenue Dept.
Pro: of Govt for April.
No 939

From

Arthur Wallis Esq
Offg Income Tax Comr.

To,

J. D Bourdillon Esq
Secy to Government
Revenue Dept.

Dated 17th April 1861
Rec'd 18th
No 850

No 908. 22d April

Reports that the Gross
Income Tax in the
Zillah of Madras cannot much
exceed three Lakhs, and proposes
that Informers, giving names
of parties not served with
Special notices, be remu-
nerated at 5 Rupees upon
Every 100 Rs assessed.

Submits an order.

No 908

The Govt have considered
the Commissioners' proposal, but they
are unable to give their sanction to the
System of Secret information which it
contemplates, to which, in their
opinion, there are serious objections.

Sd/ H. Ch
Offg Chief Secy
22d April 1861.

Lieut. Ordered
in Council
Offg Secy 22d

No 372 & 373.

No

48 Copies
To the President of the Income
Tuse Commissioners.