M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 428-429 Press / ~~Mis.~~

524.536

Dated 27 - 2 - 1862.

Not to be folded or roughly handled

No. 531. Read the following Proceedings of the Board of Revenue, dated 13th February 1862, No. 1,017 :—

Read the following Statement from G. S. FORBES, Esq., Collector of Ganjam, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, Chepauk, dated Chetterpore, 21st January 1862, showing the amount of arrears due to the undermentioned Yaumiadárs in that District :—

Number of the Certificate.	Names of the Pensioners.	Amount of Pensions, &c., per annum.	Date of Government authority.	Nature of the grant.	Period for which arrears are due.	Total amount of arrears.	Explanation of the cause of suspension of payment.	Remarks of the Board of Revenue.	Orders of Government.
1	2	3	4	5	6	7	8	9	10
		RS. A. P.				RS.			
11	Srí Condaswarasawmy.....	88 0 0	February 1804.	For the service of the Pagoda.	3 years.	264	On account of disputes among the worshippers.		
12	Raghunadhasawmy.....	6 5 4	Do.	For do.	Do.	19	Do.		
30	Marabeg.....	45 0 0	Do.	For the service of the Mosque.	2 do.	90	On account of disputes among the under sharers.		
	Japatsing.....	36 0 0	10th February 1838.	Compensation pension.	17 months.	51	Sickness.		

1. Ordered to the submitted to Government, with the Board's recommendation that sanction be granted for the payment of the arrears due to the two first parties, amounting to Rupees 283.

2. The Board authorize the disbursement of the arrears due to the other individuals, amounting to Rupees 141, and the continuance of their allowances.

3. The Board presume that the identity of the individual in the last case has been satisfactorily proved.

(A true Copy and Extract.)

(Signed) W. HUDLESTON, *Secretary.*

No. 535. ORDER THEREON, 27th February 1862, No. 428.

Sanction is granted accordingly.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

Ordered that the following letter be despatched :—

No. 536. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 27th February 1862, No. 429.

SIR,

1. I am directed by His Excellency the Governor in Council to submit the report called for in the Resolution of the Government of India, dated 19th July last, No. 9,581, on the expediency of consolidating and simplifying the Acts for direct taxation.

2. Upon the receipt of the Resolution in question and the papers which accompanied it, the Board of Revenue and the Income Tax Commissioners for the Town of Madras were called upon for any suggestions which they might think it expedient to make on the subject; and copies of their replies are appended.

From Board of Revenue, dated 24th January 1862, No. 605.
From Commissioners, dated 27th „ „ „ 2.

3. The Board of Revenue it will be seen are in favor, with some slight alteration, of the scheme as sketched in the Honorable Mr. Laing's Minute. The Commissioners differ, and would restrict the license duty to incomes under Rupees 500.

4. With some modifications, the recommendations of the latter body seem to this Government, the fairest and most appropriate: for while they concur generally with Mr. Laing in the principle of the measure which he proposes to introduce, they think that it requires to be much limited in its application, and amended in its details so as to render it at once effective as a source of Revenue, and as little oppressive as possible in its operation.

5. Mr. Laing's scheme, based as it is on the assumption that the attempts made to evade the Act have in most, or many instances been successful, and that the amount raised by the Income Tax is not sufficient in consequence, assumes the form of a more stringent system of direct taxation: it is therefore of the more importance that it should be strictly fair and just in principle and detail.

6. Without referring particularly to the risk of mistake on the part of the Assessors, who will, however, have not only to form their own opinion as to the income of each individual, but to group them into classes, the first objection against Mr. Laing's proposed scale of Licenses is the positive certainty that all who have incomes above the minimum of each class must be placed in a position more favorable than those whose incomes bring them just within such class. This is forcibly shown in paragraph 13 of the Commissioners' letter. It appears to this Government that the difficulty would be in a great measure obviated by adopting the course advocated by the Commissioners in paragraph 14, but taking Rupees 100 instead of Rupees 60 as a starting point and increasing the tax by 1 Rupee in each case till the maximum of the 2 per cent. tax is reached: as explained in the margin. This would make the two lowest classes in Mr. Laing's scale into nine; and though the trouble to the Assessor would probably be greater by this plan, the discontent of the masses would be lessened by the fact that the measure of the amount of injustice done would be probably less than a Rupee annually.

Income. Rs.	Tax. Rs.
100	2
150	3
200	4
250	5
300	6
350	7
400	8
450	9
500	10

7. The License system might indeed be extended to incomes of Rupees 1,000 annually, lessening the difference between the classes as shown in the margin,* but the Government agree with the Commissioners that the limit should for the present be Rupees 500 of annual income. The class of men who have incomes above Rupees 500 annually are in comparatively good circumstances and educated or at least intelligent. They are few enough

*Annual Income.	Tax.
625 Rs.	25 Rs.
750 „	30 „
875 „	35 „
1,000 „	40 „

Proceedings of the Madras Government, Revenue Department, 27th February 1862.

NOTE.—In the town of Madras about three-fourths of the assessments are of incomes under Rupees 500.

to be dealt with by trustworthy Officers. The Commissioners state, it will be observed, that the returns of Income rendered by Europeans and the higher classes of Natives have been generally fair. There is no practical necessity, therefore, for the change as regards these classes, and the Government consider that they should be dealt with under Act XXXII of 1860.

8. As to the minor alterations proposed by Mr. Laing, this Government concur with him in thinking it advisable—

(1.) To repeal the clauses requiring 1 per cent. to be kept specially for Public Works.

(2.) To exempt (*a*) dividends paid out of India (*b*) all Incomes under 100 Rupees and (*c*) Agriculturists not engaged in general trade or having other income.

9. They do not think, however, that the proposal to give the first class payees some honorary distinction is either desirable or expedient.

10. They would advocate the proposal made by the Madras Commissioners that Special Assessments made at the Presidency should, as in the Provinces, be limited to Incomes exceeding 2,000 Rupees. There seems no reason for making any distinction between persons living within or outside a Presidency Town.

11. They do not think it necessary, however, to extend the provisions of Section 100, Case 2, as proposed in paragraph 18 of the Commissioner's letter; neither do they consider that the adoption of the course proposed in the first part of paragraph 19 would save much trouble. It would be very desirable if, as suggested in the second part of the same paragraph, the people could be required to pay their dues without waiting to have them demanded.

12. The proposal not to issue special notices provided forms of returns are easily procurable at convenient places, and the general notice is really made public, is worthy of adoption.

13. In the last paragraph of their letter the Commissioners advocate the appointment of a special Officer to answer all references about the Act and revise erroneous Assessments. This Government however think this unnecessary, as the Supreme Government issue rulings on important questions, and the Income Tax Commissioners and the Board of Revenue can always refer to Government in case of doubt. To have a general revising Officer would only lead to constant appeals. Moreover, the majority of appeals now are not from erroneous but from excessive Assessments, and such an Officer could not deal with these cases satisfactorily.

No. 1,017.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 13th February 1862.

Read the following Statement from G. S. FORBES, Esq., Collector of Ganjam, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, Chepauk, dated Chetterpore, 21st January 1862, showing the amount of arrears due to the undermentioned Yeomiahdars in that District:—

Number of the Certificate.	Names of the Pensioners.	Amount of Pensions, &c., per annum.	Date of Government authority.	Nature of the grant.	Period for which arrears are due.	Total amount of arrears.	Explanation of the cause of suspension of payment.	Remarks of the Board of Revenue.	Orders of Government.
1	2	3	4	5	6	7	8	9	10
		RS. A. P.				RS.			
11	Sri Condaswarasawmy.....	88 0 0	February 1804.	For the service of the Pagoda.	3 years.	264	On account of disputes among the worshippers.		
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	Japatsing.....	36 0 0	10th February 1838.	Compensation pension.	17 months.	51	Sickness.		

1. Ordered to the submitted to Government, with the Board's recommendation that sanction be granted for the payment of the arrears due to the two first parties, amounting to Rupees 283.

2. The Board authorize the disbursement of the arrears due to the other individuals, amounting to Rupees 141, and the continuance of their allowances.

3. The Board presume that the identity of the individual in the last case has been satisfactorily proved.

(A true Copy and Extract.)

Secretary.

To J. D. Sim, Esq., Secretary to Government, R. D.
Copy to G. S. Forbes, Esq., Collector of Ganjam.
„ to W. J. Raynor, Esq., Acting Civil Paymaster.

Exd. J. Wright.

Rev= 1862. Department.
Proc: of Govt for Feb: 1862.
No. 486.

PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 13th *February* 1862.
Despatched, 19 —
Received, 20th —

No. 1,017.

Submitting for information a letter from the Collector of Ganjam and recommending that sanction be granted for the payment of arrears due to certain Yeomiahdars.

No. 428 - 27 Feb.

No. 428.

Sanction is granted accordingly. —

Fort St. George
27th Feby 1862

Mr. Copies to the Bd of Rev. Dispt. 28th
3 — Accts. Genl
3½ — Civil Paymasters

and this therefore of the more
importance that it should
be strictly kept & paid
in principle & detail -
It is evident that as yet
but little practice has
been made to the amount
fixed by the Assessment - the
Commissioners have been
obliged to appeal against
but by the scheme proposed
by Mr Lacy - the Assessors
will have not only to form
their own opinion with the
persons each individual
but to frame them into
classes the limits of which
shall contain all persons
whose income is more than
100 £ - and less than 250 £
while the next class em-
braces all who have an
income of 250 £ & less than
500 £ - the lowest
class will pay 2 £ per
annum license tax -
the next class will pay
3 £ that is 2 per cent
upon minimum of
each class - the
Assessors & Surveyors
of Taxes will have
to exercise a sound
discretion & may not
be liable to error
or mistake in the
performance of their
duty - the Assessors
would not perhaps make
much as their scope is so wide
then is the position certainly
that all who have incomes
above the minimum of
each class must be placed in

a more favourable position
than the man whose income
brings him just within the
Club - to that in point of fact
the poorest man in Class
10 pays 2 per cent while
he who has double the
income of the former pays
only 1½ per cent - and
he who receives 1000 £
a year about 3 per cent
does not pay more than
3 per cent - The Income
& Property Tax is it
theoretical fairness is not
in principle put all on
an equality - The difficulty
of meeting the Assessors
& the imperfect in-
telligence received of
the circumstances of
the case which must
doubtless prevail in
different districts - the
system would involve
inquisitorial powers
which most persons
would object to - that would
appear to lay a premium
on perjury - but am
I correct in stating that
a minimum of 100 £ a year
income is taken for the
Income

Income Tax license per £ 2 R. 2 per cent
and should then proceed by increasing R
annual Tax till
reached the maximum
limit of the 2 per cent
Tax. Thus increasing
500 R. thus the Tax
upon 1000 would be 33
150 34
200 35
250 36
300 37
350 38
400 39
500 40
Then the lowest Class
of Income Scale would
be made with 4 higher
the differences would
the difference
in arranging the
Classes would be great
but the distinctions would
be opened by this scale
that the means of
answering inquiries would
would be probably less
than a super annually
to the difference became
above 500. I should
prefer the continuance
of the Income Tax -
for the same reasons as
I have given above, namely
on account of its simplicity
however the license might
be established to Incomes
1000 R. keeping as before
the difference between the

Class per making these alterations
follows R
625 — annual Tax. 25
750 30
875 35
1000 40
Since this was written I have
seen the proposition from
Calcutta but this has not
many way modified
my opinion though
will make some change
in the details of my plan

Jas Wilson

Inclosure No 4

Income Tax
Sir James Wilson Bart
Respectfully submits that
160 copies be ordered
to be printed

My dear Sir

They to send me on the
other side of this sheet the
information you required -

Yrs Sincerely
Wm Ellis

Monday.

Income Tax

Total number of assessments in Town of Madras

12,000.

assessments on incomes ranging from 500 Rs. & 1000 Rs. per annum. i.e paying Income Tax from 20 Rs. & 40 Rs. per annum..

1233 or about 1/10 of total assessments.

assessments on incomes ranging from 1000 & 2000 Rs. per annum i.e paying Income Tax from Rs. 40 & 80 Rs. per annum. 470. or about 1/28 of total assessments

Rs.

Before

- My opinion was in favor of a Licence tax (or a general extension of the Patent tax) as being more intelligible to the people & better suited to India than an Income tax of the English model - But as the latter tax has been introduced & is now in operation I think that our Commissioners recommend the wisest course for the present - viz to bring all Incomes not exceeding Rs 500 under the Licence Act & to divide the Lowest into a greater number of classes than the existing proposes - after the result of this change is seen further alterations could be made afterwards if the Income & Licence acts are to continue in force. Ellis

Fort William 12th November 1859

To Richard Temple Esqr
Secretary to the Government of India
Fort William

Sir

I have the honor to acknowledge the receipt of your letter No 1 dated 1st instant forwarding a Copy of the Bill for the assessment & collection of Licence Taxes in Bengal & requesting the opinion of the Lieutenant Governor thereon.

2 In reply I am directed to state that the Lieutenant Governor has no objection to the Bill being passed into a Law, but he is of opinion that it is not well adapted to the purpose for which it is intended.

3 The Lieutenant Governor is of opinion that the Bill should be withdrawn & that a new Bill should be framed on the principles of the Income Tax Act, with such modifications as may be necessary to adapt it to the circumstances of the Country.

4 His Honor is of opinion that the Bill should be withdrawn because it is not framed on the principles of the Income Tax Act, and because it is not well adapted to the purpose for which it is intended.

I have &c
(Signed) H. Ricketts
Secy to the Govt of Bengal

Before proceeding
to England last year
Mr. Laing recorded
a Minute on this sub-
-ject which forms the
basis of this reference

Accepting the ge-
-nerally admitted fact
that the returns made
under the Incomes Tax
Act, of the profits of
+ lands - trades ++ and pro-
-fessions are as a rule
untrue and useless -
and that the assessing
officers are in conse-
-quence obliged to dis-
-charge generally - or
in other words to assess
arbitrarily - almost

at

Sch	Rules	I	&	II	
of the	Income	Tax			
Act	32	of	1860		

at the Presidency
should as in the Pro-
-vinces be limited to
incomes exceeding
2,000 Rupees - This
seems desirable -
There is no rea-
-son why a per-
-son in Madras
should be treat
-ed differently
from one out-
-side it. -

VII The proposal
in para 18 of
the Commission-
-ers' report would
be a convenience

no

no doubt - but it seems to go rather too far. Every person with more than 10 Servants or 8/4 Rupees monthly would be an Income Tax Collector!

VIII. The proposal in para 19 to levy the Income Tax

Agreed all but Coal. Leave as explicit & short as possible to do justice to the case

+ Mr Pelly & Mr Clarke - Mr Hall dissents & as President of the Income Tax Commission joins in their proposition.

Con

sealed. The Income Tax Commissioners differ and would restrict the license duty to incomes under 500 Rs.

The Boards arguments are general except such the license as Mr Lang's.

The Commissioners pronouncements will be found in paras 6 to 13 of their report.

It seems true that the Commissioners position is right in the main as it is equally desirable incomes should be taxed by the license the thrift and larger ones as they will are

under the Income
Tax Act.

The Govt of State
that 3/4th of those
assessed in Madras
Town have incomes
under 500 Rs. p.a.
that they contribute
no tax retaining
their minimum
amount only
15 per cent of the total
collections. They are
chiefly Europeans
who keep no accounts
and are comparatively illiterates. Their
profits of such a
class can be estimated accurately
only by the tax
returns. The tax of
2 per cent is light

evidence of a little
practice & management
and that they will
thus state will be
favoured by them
removal from the
Income Tax &
Licensed Lists
& Private Traders
some of the higher
Say 1000 Rs. This
includes include
I should say those
all the classes of
whose the preparation of returns is
to devolve the
Govt either
should be the Govt
limit should be
the safest
a commencement
to attempt to

carry the licenses by steam for then I think a mistake. The class of men who then come within its scope are comparatively well to do, & educated, or at least sensible men. They are few enough to be practically dealt with by their brethren. The officers & their duties are errors have been there prescribed for. Much 3/4 of the Irish cattle incidental & swamp & the multitude of returns they go beyond the end in view in bringing the

On the expediency of consolidating and simplifying all the Acts for direct taxation &c.—

at Mr Lamps scale of licenses as worked out by the Bd will show how unequal the tax will be. a Means with an income of £1250 per annum will pay £50. or 4 per cent. while one with 2400£ will pay no more. Whereas at the same rate he ought to pay £96 or nearly double.

The Comrs it will be seen state that the returns of Income received by Surveyors & the higher classes of Assessors have been generally been found. There is no practical remedy. Therefore for the changes as regards these classes. Mr Lamps

says that a man
in England returns
£ 100 income under
these Schedules (A & D)
and is thereby un-
der the Act 43 Geo 3
for any Sum the
Substitution of a
Licensed Duty has
been adopted as a
remedy.
And the Question &
Mr Laing submits
is I think to be found
in the fact that
it will be for him
& able the advan-
tages of this - the
first - the person of
such statement
in comes & his list
in the hands of the
Jurisdiction Board.
We shall be an
[illegible]

Mr Laing. I will
be all Sections, al-
lows per cent with
Incomes above 2000 Rs
the option of being
assessed on re-
turns - Under the
previous Act, if
a person made a re-
turn the
Collector gave him
that Certificate
Husband upon
one or other of the
Grounds mentioned
& Section 60 Act
Mr Laing
submits in these
cases operates as
a check on the
Collector discretion any
power - Under the
Stamp Act upon
Husband upon
one or other of the
Grounds mentioned
& Section 60 Act
It was felt [illegible]

is not clear. From
a Calculation is the
President in his
address. No
Licensee can form
any satisfactory
a. It arises in cases
by his Income Tax
Officers and is
appealable
to the Courts
Page 74 to 82.
Page 13.
1. Whether pet. will
be exempt from Income
Tax in the case
in the Calcutta High
Court and
2. Whether the Income
Tax Officers
are competent to
entertain the case

of Madras &
3. Where the line between
Licensed & Income Tax
is to be drawn.

There are some
other points on which
I beg orders.

I. Mr Lange proposes
to repeal the clause re-
serving 1 per cent of
the higher Income
Tax for Public
Works. Has not the
Income paid as Licensed
have proved a Hardship

II. Mr Lange's proposal
to exempt dividends
paid out of Indian.

III. Mr Lange's exemp-
tions viz:
1. All Incomes under
1000 Rupees.
2. Agriculturists not en-
gaged in general
trade or having other
Income. — The

IV. The proposal to give his 1st class payees some honorary distinction. This seems scarcely a desirable system.

Pam 66.

V. The additional classes proposed by the Bd. This seem desirable as the incomes are small, and irregularities of taxation will be more felt. The Commissioners Scale is still more gradual but they carry the minimum down to 60 Rs or 6 Rs monthly which seems too low — being little more than mere subsistence. —

Bd's letter para 7.

Comm.rs letter para 14

IT. That special exceptions at

do do

at random, Mr. Laing proposed to commute the Income Tax on such property into fixed payments by classes under a system of licenses — and to restrict the Income Tax Act to salaries, funded property and the like: —

Mr. Laing proposed to have 10 classes of licenses. The first class was to comprise Incomes above 25000 Rs annually and the amount of license fee was to be settled by special composition with the

the payer or by assessment under the Income Tax Act. The other nine classes of licenses ranged from 2 Rs. to 1000 Rs. rated so as to produce about 2 per cent on incomes below 500 Rs. paid 4 per cent on incomes above that sum. Persons with incomes above 2000 Rs. may elect to be assessed under the Income Tax Act.

The Board of Revenue are in favor of this arrangement with a slight alteration in the lower scales

Licenses	Annual sum
2 Rs.	100 Rs.
5 "	250 "
10	500
25	625
50	1250
100	2,500
250	6,250
500	12,500
1000	25000.

Com. letter from 14 to 19 Sept 1859

Cf. para 19. cl 2.

on houses from the tenants, who will have power to deduct it from the rent will save no trouble, for the tax on unoccupied houses will still have to be remitted

IX The proposal not to issue Special Notices, Printed forms of returns are easily procurable at convenient places and the general notice is readily made known in villages desirable

X The suggestion to require the people to pay their dues without waiting to have them demanded I fear this is desirable rather than practicable

there

there is only one Office
in Madras for the
receipt and what
would be gained
in the reduction of
collecting Officers
would probably be
lost in opening two
places of receipt.
XI. The appointment
of a special Officer
to answer all the
queries about the
act and revise a
revise our assessments.
The Supreme Govt
now give rulings
on important ques-
tions and more
seems scarcely ne-
cessary. The Income
Tax Commissioners
and Board of Reve-
nue can always
refer

The scheme or
mode of making
payments adopted by Govt.
[illegible] is extremely good
there is nothing to fear
people are sending [illegible]
money [illegible]
[illegible]

Comm. letter
para 20.

refer to Govt and do
not see what more
is necessary now that
the Act has been
in operation for a
year and a half.
To have a general
revising Officer
would only lead
to appeals from
half the payers and
there is no security
to Government that
his decisions would
be correct. The
universal appeal
now is not from
erroneous but from
excessive assessments,
and such an
Officer could not
deal

deal with these cases satisfactorily.

I. D. S.

For Early order.

4 Copies
Dispd 28

No. 129.

To

The Financial Secretary
to the Government of
India.

Sir,

I am directed by His Excellency the Governor in Council to submit the report called for in the Resolution of the Government of India dated 19 July last on the correspondence regarding the consolidation of the Land Revenue and the Taxes for direct taxation.

Upon the receipt of the Resolution in question and the papers which accompanied it, the Board of Revenue and the Income Tax Commissioners for the town of Madras were called upon for any suggestions which they might think it expedient to make on the subject; and

copies of their replies are appended.

From B. of R. d/ 24 Jan /62. No. 509.
From Commissioners d/ 27 Jan/62. No 2.

The Board of Revenue it will be seen are in favor, with some slight alterations, of the scheme as sketched in the Hon'ble Mr Laing's Minute. The Commissioners differ, and would restrict the license duty to incomes under Rs. 500 — New Para With some modifications, the recommendations of the latter body seem to this Govt, ~~[illegible]~~, the fairest and most appropriate; for while they concur generally with Mr Laing in the principle of the measure which he proposes to introduce, they think that it requires to be much limited in its application, and amended in its details so as to render it at once effective as a source of Revenue, and as little oppressive as possible in its operation.

Mr Laing's scheme based as it is on the assumption that the attempts made to evade the Income tax have in most, if many instances been successful, and that the amount raised by the income tax is not sufficient in consequence, assumes the form of a more stringent system of direct taxation: it is therefore of the utmost importance that it should be strictly fair and just in principle and detail.

Without referring particularly to the risk of mistake on the part of the Assessors, who will, however, have not only to form their own opinion as to the income of each individual, but to group them into classes,

The first objection against Mr Laing's proposed scale of Income is the positive certainty that all those whose incomes arise from the minimum of each class must be placed in a more favourable position than those whose incomes brings them just within each class. This is forcibly shewn in para 13 of the Commissioners letter. It appears to this Government that the difficulty would be in a great measure obviated by adopting the course advocated by the Commissioners in para 14, but taking Rs 100 instead of Rs 60 as a starting point and increasing the tax by ½ Rupee in each case till the maximum of the 2 per cent tax is reached: as explained in the margin. This would make the ten lowest classes in Mr Laing's scale into

Income	Tax.
100	2
150	3
200	4
250	5
300	6
350	7
400	8
450	9
500	10

The License system might indeed be extended to Incomes of Rs 1000 annually leaving the difference between the classes as shewn in the margin, but

Income	Tax
625 Rupees	25 Rs
750 do	30 "
875 do	35 "
1000 do	40 "
1000 —	40 "

Note. By the terms of Madras Act 2/4 the assessments are declared to be

mine; and though the trouble of the assessment would probably be greater by this plan the discretion of the assessor would be lessened by the fact that the amount of income to be dealt with would probably be a rupee annually.

The Government also agree with the Commissioners that the Income Tax, Stamp duties, Customs Duties, Salt Duty and Excise Duties should be left as they are.

The Government agree with the Commissioners that those who have incomes above Rs 500 annually are comparatively well educated or at least intelligent they are few enough to be practically dealt with by Lieutenant Governors Officers. The Commissioners state that

be observed that the returns of income rendered by Europeans and the higher classes of natives have been generally fair. There is no practical necessity for the change therefore as regards these classes: and they shd be dealt with under Act XXXII of 1860.

As to the minor alterations proposed by Mr. Laing, this Govt concur with him in thinking it advisable

(1) To repeal the clause requiring 1 per cent to be kept specially for Public Works.

(2) To exempt (a) dividends paid out of India (b) all incomes under 100 Rupees and (c) Agriculturists not engaged in general trade or having other income.

They do not think however that the proposal

in either —

not consider ...

Do not

to give the first class payers some honorary distinction is either desirable or expedient.

They would advocate the proposal made by the Madras Commissioners that special Assessments made at the Presidency should, as in the Provinces, be limited to incomes exceeding 2000 Rupees. There seems no reason for making any distinction between persons living within or outside a Presidency Town.

They do not think it necessary however to extend the provision of Sect 100. Case 2. as proposed in para 18 of the Commissioners' letter. Neither do they consider that the adoption of the course proposed in the

part of para 19 w[ou]d
save much trouble.
It would be very
desirable if, as sug-
gested in the second
part of the same
paragraph, the
people could be re-
quired to pay their
dues without waiting
to have them demand-
ed, ~~and the Govt.~~
~~could be glad if~~
~~it could not be~~
~~be carried into effect.~~

The proposal not
to issue special notices,
but to deal from Returns are easily
procurable at con-
venient places, and
the general notices
really made public
is worthy of adop-
tion.

In the last para
of their letter the Com-
missioners advocate
the appointment

of a special officer
to answer all refe-
rences about the
rich and more er-
roneous assess-
ments. This Govt
think however ~~that~~
this ~~unnecessary~~
As to the Supreme Govt
~~now~~ to issue rulings
on important ques-
tions, ~~more effectu-~~
~~ally, if necessary~~
and
the Income Tax
Commissioners &
the B[d] of Revenue
can always refer
the Govt in case of doubt.
To have a general
revising officer would
only lead to ~~a~~ appeals
~~from both the Income~~
~~Tax Commissioners~~
Moreover the majority of appeals
now ~~date~~ not from
erroneous but from
excessive assess-
ments, and such

an Officer could
not deal with
these cases after
Factory —

Office
8.30 a.m.
25 Feb/62.

Fort St. George
27th Feby/62

Revenue 1862 Deptt.
Proc: of Govt for February.

No. 429.

To
The Secretary to the
Govt of India
Financial Deptt.
Dated 27 February 1862.

Submitting to Supreme
Government report on the ex-
pediency of Consolidating and
Simplifying the Acts for
direct taxation.

No 536.