

(1) Number of pages 10

(2) Date of repair 10-4-43

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. <u>1788</u>	Press Mis.
<u>319-320</u>	
Dated <u>14-6-</u>	18 <u>67</u> .

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
14th June 1867.*

No. 319. Read the following Proceedings of the Madras Government in the Revenue Department, dated 6th June 1867, No. 1,277 :—

Read the following letter from the Controller of Military Accounts, to the Secretary to Government, Military Department, dated Fort Saint George, 1st June 1867, F :—

1. I have the honour to forward, for instructions, a letter from the Presidency Paymaster, dated 29th May 1867, No. 895, proposing two questions which have arisen in assessing the salaries of Officiating Military Officers under Act XXI of 1867.

2. The first question is, whether the staff salary of an Officer officiating in an appointment is liable to assessment, and the temporary additional salary of an Uncovenanted Assistant acting in a higher situation than his own.

3. I find that the Accountant General's Circular No. 5, dated 7th May 1867, referred to by Major Douglas, is based upon a Circular from the Secretary to the Government of India, Financial Department, which intimates that the assessment should be made on the substantive pay of the permanent appointment held, and that temporary and other allowances of whatever kind are to be thrown out.

4. The decision has not been communicated to this department, and I have the honour to enquire whether it is the intention that a Military Officer *officiating* in an appointment should not be taxed on the salary of that appointment.

5. The salaries of all officiating appointments are temporary, but it appears doubtful whether the decision was intended to apply to Military Staff salaries (consolidated and in addition to pay of rank), or to extend beyond the Civil Department (and Uncovenanted Assistants in Military Offices), to which the terms of the decision appear more particularly applicable.

6. I have the honour also to enquire whether any change has been directed as regards the period for which the tax is leviable, as I am informed that in the Civil Department the salary for May 1867, is the basis of calculation, while in this department the emoluments of the year ending 31st May 1867 have been taken.

7. The second question, proposed by the Paymaster, is how Field Officers, arriving from Europe subsequent to the 1st June, are to be assessed, and whether the tax is to be recovered from their first receipts.

8. This question supposes the tax to be leviable upon the emoluments of the past year.

9. There is no specific provision in the Act, apparently, which meets the case, unless under Sections 5 and 20 it is held that Officers arriving in India prior to 1st November are liable for the full amount, and Officers arriving subsequent to that date, for the half; no provision is made for deduction from official pay save on the 1st June.

*Proceedings of the Madras Government, Public Works Department,
14th June 1867.*

From the Paymaster, Presidency Circle, to the Controller of Military Accounts, dated Madras,
20th May 1867, No. 895.

1. I have the honour to request early instructions on the following points :—
2. In making recoveries on account of License tax under Act XXI of 1867, is the staff salary of an Officer officiating in an appointment to be taken into account in determining the class in which he shall be assessed under Schedule A ? Also in the case of an Uncovenanted Assistant, acting in a higher situation than his own, is the temporary allowance drawn thereon to be included in assessing him.
3. I have thought it advisable to make this reference, as I observed it ruled in a Circular of the Accountant General, No. 5, dated 7th May 1867, that in the Civil Department the tax is only leviable on the substantive pay of an Officer's permanent appointment, all temporary allowances being exempt.
4. I would also enquire how Field Officers, arriving from Europe subsequent to 1st June, are to be assessed, and whether the tax is to be recovered from their first receipts.

Referred to the Revenue Department for early disposal.

(Signed) H. MARSHALL, Major-General,
Secretary to Government.

FORT SAINT GEORGE,
1st June 1867.

Miscellaneous.

1. The Government observe that the terms of the Financial Circular of the Government of India, No. 2,024, dated 18th April 1867, which was not communicated to this Government, but of which copy has now been obtained from the Accountant General, leave no doubt whatever as to the exclusion from the calculation for License tax of all sums in the nature of deputation allowances received by Officers temporarily officiating in situations of higher emoluments than those of their permanent appointments. The assessment is to be made on the substantive pay of the permanent post held by the payer of the tax, and the Government see no reason to limit the application of the rule.

2. The Government gather from paragraph 6 of the above letter, that in the Civil Department the salary for May 1867, after making all authorized deductions, was taken as the one-twelfth part of the income on which the tax was to be assessed, while in the Military Department, the assessment has been made on the actual net receipts of the year ending 31st May 1867, after the necessary deductions, the effect being in the one case to assess income prospectively, and in the other retrospectively.

3. No orders were issued by Government on the point, nor was it contemplated that the latter interpretation would be adopted as regards Government servants, but the Government admit that the question of the correct interpretation is open to much doubt, and the point has been much discussed by the general public.

4. They resolve, therefore, to refer it for the decision of the Supreme Government.

5. The question raised as to the mode of dealing with the case of Officers arriving in India after 1st June and before 1st November, will be similarly referred. The Government conceive that the Officer would be held liable to pay a full year's

*Proceedings of the Madras Government, Public Works Department,
14th June 1867*

tax, but the terms of Section 20, Act XXI of 1867, are by no means clear as to its recovery, and it would doubtless be deemed unfair to make the income of the month of assessment the basis for the calculation of a year's income, when for a considerable portion of the year a much less amount would have actually been already received.

No. 320.

ORDER THEREON, 14th June 1867, No. 1,788.

ESTABLISHMENT, No. 35.

Communicated to the Officers
concerned.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

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*Proceedings of the Madras Government, Revenue Department,
6th June 1867.*

No. 83. Read the following letter from the Controller of Military Accounts, to the Secretary to Government, Military Department, dated Fort Saint George, 1st June 1867 F:—

1. I have the honour to forward, for instructions, a letter from the Presidency Paymaster, dated 29th May 1867, No. 895, proposing two questions which have arisen in assessing the salaries of Officiating Military Officers under Act XXI of 1867.

2. The first question is, whether the staff salary of an Officer officiating in an appointment is liable to assessment, and the temporary additional salary of an Uncovenanted Assistant acting in a higher situation than his own.

3. I find that the Accountant General's Circular No. 5, dated 7th May 1867, referred to by Major Douglas, is based upon a Circular from the Secretary to the Government of India, Financial Department, which intimates that the assessment should be made on the substantive pay of the permanent appointment held, and that temporary and other allowances of whatever kind are to be thrown out.

4. The decision has not been communicated to this department, and I have the honour to enquire whether it is the intention that a Military Officer *officiating* in an appointment should not be taxed on the salary of that appointment.

5. The salaries of all officiating appointments are temporary, but it appears doubtful whether the decision was intended to apply to Military Staff salaries (consolidated and in addition to pay of rank), or to extend beyond the Civil Department (and Uncovenanted Assistants in Military Offices), to which the terms of the decision appear more particularly applicable.

6. I have the honour also to enquire whether any change has been directed as regards the period for which the tax is leviable, as I am informed that in the Civil Department the salary for May 1867, is the basis of calculation, while in this department the emoluments of the year ending 31st May 1867 have been taken.

7. The second question, proposed by the Paymaster, is how Field Officers, arriving from Europe subsequent to the 1st June, are to be assessed, and whether the tax is to be recovered from their first receipts.

8. This question supposes the tax to be leviable upon the emoluments of the past year.

9. There is no specific provision in the Act, apparently, which meets the case, unless under Sections 5 and 20 it is held that Officers arriving in India prior to 1st November are liable for the full amount, and Officers arriving subsequent to that date, for the half; no provision is made for deduction from official pay save on the 1st June.

From the Paymaster Presidency Circle, to the Controller of Military Accounts, dated Madras 29th May 1867, No. 895.

1. I have the honour to request early instructions on the following points:—

2. In making recoveries on account of License tax under Act XXI of 1867, is the staff salary of an Officer officiating in an appointment to be taken into account in determining the class in

*Proceedings of the Madras Government, Revenue Department,
6th June 1867.*

which he shall be assessed under Schedule A? Also in the case of an Uncovenanted Assistant, acting in a higher situation than his own, is the temporary allowance drawn thereon to be included in assessing him.

3. I have thought it advisable to make this reference, as I observed it ruled in a Circular of the Accountant General, No. 5, dated 7th May 1867, that in the Civil Department the tax is only leviable on the substantive pay of an Officer's permanent appointment, all temporary allowances being exempt.

4. I would also enquire how Field Officers, arriving from Europe subsequent to 1st June, are to be assessed, and whether the tax is to be recovered from their first receipts.

Referred to the Revenue Department for early disposal.

(Signed) H. MARSHALL, Major-General,
Secretary to Government.

FORT SAINT GEORGE,
1st June 1867.

No. 84. ORDER THEREON, 6th June 1867, No. 1,277.

Miscellaneous.

1. The Government observe that the terms of the Financial Circular of the Government of India, No. 2,024, dated 18th April 1867, which was not communicated to this Government, but of which copy has now been obtained from the Accountant General, leave no doubt whatever as to the exclusion from the calculation for License tax of all sums in the nature of deputation allowances received by Officers temporarily officiating in situations of higher emoluments than those of their permanent appointments. The assessment is to be made on the substantive pay of the permanent post held by the payer of the tax, and the Government see no reason to limit the application of the rule.

2. The Government gather from paragraph 6 of the above letter, that in the Civil Department the salary for May 1867, after making all authorized deductions, was taken as the one-twelfth part of the income on which the tax was to be assessed, while in the Military Department, the assessment has been made on the actual net receipts of the year ending 31st May 1867, after the necessary deductions, the effect being in the one case to assess income prospectively, and in the other retrospectively.

3. No orders were issued by Government on the point, nor was it contemplated that the latter interpretation would be adopted as regards Government servants, but the Government admit that the question of the correct interpretation is open to much doubt, and the point has been much discussed by the general public.

4. They resolve, therefore, to refer it for the decision of the Supreme Government.

5. The question raised as to the mode of dealing with the case of Officers arriving in India after 1st June and before 1st November, will be similarly referred. The Government conceive that the officer would be held liable to pay a full year's tax, but the terms of Section 20, Act XXI of 1867, are by no means clear as to its

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6th June 1867.*

recovery, and it would doubtless be deemed unfair to make the income of the month of assessment the basis for the calculation of a year's income, when for a considerable portion of the year a much less amount would have actually been already received.

(True Extract.)

Secretary to Government.

To the Revenue Board.
.. the Accountant General.
.. the Military Department.
.. the Public Works Department.

Exd. S. T. Augustin.

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21st 1788

Commd to the
Officers concerned

Stout St George
14th June 1867

W. H. B.

To S. G. I

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1788-14 June 1867

Passing orders in a letter
from the Controller of Milz
Accounts proposing cer-
tain questions, in address-
ing the Salaries of Offrs
Milz Officers under Act
of 1867

With our Belief

No 319-320