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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 2818	Press ~~Mis.~~
287-288	
Dated 12-9.	1867.

Not to be folded or roughly handled

2818

*Proceedings of the Madras Government, Public Works Department,
12th September 1867:*

No. 287. Read the following Proceedings of the Madras Government in the
Revenue Department:—

Approving of the Board's Proceedings in con- } (Here enter 7th September 1867, No. 2,101.)
nection with certain matters relating to the }
License Tax.

No. 288. ORDER THEREON, 12th September 1867, No. 2,818.

ESTABLISHMENT, No. 40.

Communicated to the Controller of
Public Works Accounts.

(True Extract.)

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

To the Controller of Public Works Accounts.

Exd S. T. Augustin.

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*Proceedings of the Madras Government, Revenue Department,
7th September 1867.*

No. 115. Read the following Proceedings of the Board of Revenue, dated 24th August 1867, No. 5,487.

Read the following letter from the Acting Collector of Madras, to the Secretary to the Board of Revenue, dated Sydapet, 24th June 1867, No. 189:—

1. In reply to paragraph 2 of the Board's Proceedings of the 20th instant, I have the honor to state that a report on the working of Act XXI of 1867 was submitted to the Board on the 23rd ultimo. A further report on the subject received from Mr. Winscom is herein enclosed, and the Board's instruction on paragraph 7 of Mr. Winscom's letter requested.

2. With regard to the question put in paragraph 6, I conclude the Government Order, dated 6th June 1867, No. 1,277, is final, and that Colonel Denison's income must be estimated on his salary for May.

From the Collector of Licenses, to the Acting Collector of Madras, dated 17th June 1867, No. 37.

1. In continuation of my report of the 22nd ultimo, I have the honor to inform you that since that date a considerable increase in the business of this Office has taken place.

2. At that time only fifteen licenses had been taken out; but up to the evening of the 15th instant 330 licenses have been issued, the net sum received being Rupees 9,562-8-0.

3. With the exception of one or two English Houses nearly all these licenses have been given to Natives, chiefly keepers of small bazaars in Black Town, and their principal inducement for coming forward appears to be the necessity of producing their license under cross-examination in the Small Cause Court.

4. The European and East Indian Shopkeepers still keep aloof, and I have reason to believe the Trade Association intends to defend any of its members who may be prosecuted under the Act.

5. I beg to submit the following cases as examples of the doubtful point as to whether the assessment is to be based on the estimated profits of this year or the actual receipts of last; should an authoritative ruling be given on these two cases, it would enable me satisfactorily to decide many other similar ones.

6. Colonel Denison, the Municipal Commissioner, claims to be assessed in the fourth class, as his salary of Rupees 1,000 per mensem only commenced in January, and consequently up to the 30th April he had received Rupees 4,000. If his estimated income is to be considered, he should be placed in the second class.

7. The partners in Messrs Maxwell & Co.'s House claim entire exemption on the ground that their losses, during the last year, exceeded their profits. Taking the standing and position of the Firm as a criterion, they ought to be in the second class.

1. The Board have already submitted to Government Mr. Winscom's report on the working of the License tax up to the 31st August; it remains only to dispose of the doubtful points raised by him.

2. The Board, in their original Notification on the subject of the License tax, directed all applicants for licenses to fill up their applications with reference to their profits during the previous year, and this Notification was approved by Government.

3. Since the issue of that Notification Act XXIX of 1867 has been passed amending the License Act; but it is not precisely laid down in it whether the license is to be fixed with reference to the profits of the year ending 30th April 1867, or with reference to the estimated profits of the year ending 30th April 1868.

4. During the discussion which took place on the passing of the new Act, the Honorable Mr. Massey observed that the profits of the previous year would

*Proceedings of the Madras Government, Revenue Department,
7th September 1867.*

usually be taken as a guide in fixing the License tax, and the Government of India in levying the tax from their Officers have shewn that they consider it a tax leviable on the prospective income, inasmuch as an Officer pays on his salary in May 1867 calculated for the year, and not on his actual receipts during the year ending 30th April 1867.

5. Under these circumstances the Board are of opinion that it must be deemed to be the intention of the Legislature to tax the prospective income of the year 1867-68, and that it is the duty of the Assessor to ascertain what that income is likely to be by the best means in his power, and not *invariably* to accept the income of the past year as the income to be taxed. Thus Colonel Denison should be taxed as receiving a probable income of Rupees 12,000 a year, and Messrs. Maxwell & Co. as Merchants enjoying such an income as is usually enjoyed by other merchants transacting a business of a similar magnitude.

6. A copy of these Proceedings will be submitted for the approval of Government.

No. 116. ORDER THEREON, 7th September 1867, No. 2,101.

Miscellaneous.

The Board's Proceedings are approved. Their attention is drawn to the G. O. No. 1,304, dated 8th June 1867, shewing that the Government of India have distinctly ruled that the salary for May 1867 was to be the basis for calculating the year's income in assessing the License tax in the case of officials on fixed salaries.

(True Extract.)

J. Augustin
Secretary to Government.

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

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*Comm. to the
Controller of P. & A. Accts.*

*Fort St George
12th Sept 1867*

App

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Sept 13/67

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Pr. of Govt. for September
#3429

Pr. of the Marine Corp
Revenue Dept

By 4. 2 Sept/67
Dec 10 } #2101.

Approving of the
Board's proceedings in
connection with certain
matters relating to the
Revenue Tax.

Ch. 287-288

W. H. W. B. C.
2818-125 Sept/67