

Ps. No 1483 W d/ 11. 6. 86
" 1341 W d/ 29. 5. 86.

¹³
No. 1623 W d/ 25 June 1886
Communicated to
officers of the P.W. Dept.
for information, in
Continuation of G.O.
No. 1483 W dated 11 June
1886.

LL
22. 6. 86

24/6/86

- ch. Engr. for Engrs. ✓
 - Commr. Engr. for Rys. ✓
 - Supdy. Engrs. ✓
 - Supt of W. P. W. S. ✓
 - C.A. to Govt ✓
 - Engr in - chief Mr. S. R. S. ✓
 - Exr. P.W. Accts ✓
 - Exr. Gr. R. Accts ✓
 - Exr. St. Ry Accts ✓
 - Exr. H. Works ✓
- 28/6/86

P. W. No. 4685

(4)
Govt. of (1886) Madras.
REVENUE.

20. S. C.

Issued
Recd. 18. 6. 86. Encl.

G.O., 31st May 1886, No. 402.

No. 1623 W. d/ 25 June 1886.

MAY.

Income-tax.

Board's instructions to the Collector regarding
the collection of — in the Nilgiri district,
recorded.

Copy to be sent to the Collector
With 3-7-86.

31ST MAY 1886, No. 402, REVENUE.

GOVERNMENT OF MADRAS.
REVENUE DEPARTMENT.

READ—the following Proceedings of the Board of Revenue, dated 1st May 1886, No. 1002:—

Read—the following letter from L. R. BURROWS, Esq., Collector of Nilgiris, to the Secretary to the Board of Revenue, dated Ootacamund, 14th April 1886, No. 96:—

I have the honor to submit, for the orders of the Board, copies of correspondence between the Treasury Deputy Collector of this district and the Accountant-General relative to the duties and obligations of the former in regard to the collection of income-tax on salaries, annuities, pensions or gratuities payable by Government.

2. The Accountant-General's instructions appear to mean that where such salary, &c., is below Rs. 41-10-8 per mensem, the Treasury officer can make no deduction, and that if the salary amounts to or exceeds that sum and is below Rs. 166-10-8, the deduction will be pies 4 in the rupee; if the salary, &c., amounts to or exceeds Rs. 166-10-8, the deductions will be at the rate of pies 5 in the rupee. And that these deductions are to be made without reference to any other income the payee may be in receipt of under part III or part IV, or even under part I if the salary annuity is not paid by Government.

3. In this district there are several Government pensioners in municipal and other employ whose aggregate income derived from salary and pension is taxable, while the pension and salary viewed separately are not so, or is taxable at a different rate from such pension or salary taken separately.

4. Under section 4 it is laid down that "there shall be paid in respect of the sources of income specified in the first column of the second schedule to this Act, a tax at the rate specified in that behalf in the second column of that schedule. And in section 5 it is provided that nothing in section 4 shall render liable to the tax (j) any person whose income from all sources is less than Rs. 500 per annum. Hence all income of Rs. 500 derived from more sources than one is taxable.

5. Under section 7, the mode in which the tax is to be collected in respect of salaries, &c., is prescribed.

6. It is to be observed that no distinctions are made in this section. The words of the section are—"In the case of a person receiving *any* salary, &c." (the italics are mine) "any sum payable to him *shall be reduced*."

7. The Accountant-General however instructs the Deputy Collector that in certain circumstances the tax payable in respect of such salary shall not be deducted, but the tax shall be collected in a different way, *i.e.*, by the Collector or Assessing officer in the same way presumed as the tax on incomes from "other sources" under part IV. The definition of income under part IV is, any source of income not included in part I, part II or part III of this schedule.

8. The ordinary mode of assessment and collection of tax on "other sources of income." Part IV refers only to incomes under that part and not to incomes under part I.

9. I have therefore some doubts as to the legality of the Accountant-General's instructions, and beg to refer them for the Board's orders.

Govt. of (1886) Madras.
REVENUE.

Order thereon No. 1623 tr af 25.6.86

Communicated
to officers of the P. N. Dept
for information in
continuation of go no:
1483 tr af 11th June 86.

1891 J.S.

Issued

Recd.

Encl.

G.O., 31st May 1886, No. 402.

B-1623 tr 25-6-86

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To.
C. & Co. for Inspection
C. & Co. for Inspection
C. & Co. for Inspection
C. & Co. for Inspection

to for
in Chief M. S. S.
P. N. at
for the at
P. N. at
P. N. at

ENCLOSURES.

Letter from H. F. CLOGSTOUN, Esq., Accountant-General, Madras, to the Treasury Deputy Collector, Nilgiris, dated Fort St. George, 7th April 1886, No. 1004.

With reference to your letter, No. 421, dated the 1st instant, I have the honor to state that as Treasury officer you will be responsible only for seeing that proper deductions on account of income-tax are made from incomes derived from Government, the rate of the deduction being governed by the amount of salary or pension, &c., paid.

In the case of individuals having other sources of income in addition to the income received from Government, it will be for the Assessing officer to recover the difference of tax due on the amount of salary, pension, &c., as well as tax upon those other sources of income.

Under the above, therefore, the recovery of tax in respect of the stipend and pension drawn by the Rev. C. Biolly and Mr. M. Collins, respectively, will not lie with you, the amounts in both cases being under Rs. 41-10-8 per mensem.

Letter from C. E. PLUNKETT, Esq., Treasury Deputy Collector, to the Accountant-General, Madras, dated Ootacamund, 1st April 1886, No. 421.

I have the honor to request that I may be favored with definite instructions by return post, if possible, as to the extent of my duty as a Treasury officer in the realization of income-tax under the Act II of 1886, which has come into force this day.

2. If to my knowledge a person has more than one source of income, but only one is derived from Government on a salary bill which is presented to me as Treasury officer for payment, and the amount of that bill represents an income of less than Rs. 500 per annum, but yet I know the person's income from all sources to be over Rs. 500, am I to levy the tax on the amount of such bill or not; e.g., the Roman Catholic Chaplain, the Rev. C. Biolly, draws a monthly stipend from Government of Rs. 30 for ministering to the inmates of the European prison at this station, $30 \times 12 = 360$ per annum, and therefore this is an income which is exempt from taxation, but I have reason to believe that Mr. Biolly's income from other sources makes it more than Rs. 500. How am I to act as Treasury officer? The other sources are private income with which the Treasury officer has no concern. Am I to realize the tax on the bill for Rs. 30 presented to me for payment or not; and if so, am I to do so at 4 pies in the rupee or 5 pies in the rupee, because, although I have good reason for thinking Mr. Biolly's income exceeds Rs. 500 per annum, I certainly have no means of knowing if it is more or less than Rs. 2,000 per annum.

3. Again, Mr. Michael Collins is a superannuation pensioner * drawing Rs. 18-10-8 per mensem. He is also a military out-Chelsea man drawing a pension of 1s. 0½d. per diem. These two sources of income together are less

* P.P.O. No. 9180.

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Resolution—dated 1st May 1886, No. 1002.

In the cases referred to by the Collector, the assessment will be made under part IV and will therefore be collected by the Assessing officer. Until the Assessing officer determines that the parties are liable under the Act and fixes the assessment of the tax to be levied, the Treasury officer cannot take any action, and in this view the Accountant-General's instructions appear to be correct.

(True Copies and Extract.)

(Signed) C. F. MACCARTIE,
Acting Secretary.

To the Collector of Nilgiris.

Copy to all other Collectors.

" to the Secretary to Government, Revenue Department.

" to the Accountant-General.

ORDER—dated 31st May 1886, No. 402, Revenue.

Miscellaneous.

Recorded.

(True Extract.)

Redmicklee

Ag. Secretary to Government.

To the Board of Revenue.

" the Public, &c., Departments.

" the Military Department.

" the Public Works Department.

" the Accountant-General.

Exd. W. H. French.

100 Copies.

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ORDER—dated 31st May 1886, No. 402, Revenue.

Miscellaneous.

Recorded.

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Ag. Secretary to Government.

To the Board of Revenue.

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" the Public Works Department.
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Exd. W. H. French.

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(Signed) C. F. MACCARTIE,
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To the Collector of Nilgiris.

Copy to all other Collectors.

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Miscellaneous.

Recorded.

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To the Board of Revenue.

„ the Public, &c., Departments.
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Exd. W. H. French.

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REVENUE.

Issued

Recd.

Encl.

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No. 1623 W.d/25 June 1886

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Ch. Engr. for Engrs.

Consig. Engr. for Rys

Supdy. Engrs.

Supt. of Works I. M. S.

C. A. to Govt

Engr-in-charge. M. S. R. Surveys

Exr. P. W. Accts.

Exr. G. A. Ry Accts

Exr. State Ry. Accts

Supt. M. H. Works.

With order

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5. Under section 7, the mode in which the tax is to be collected in respect of salaries, &c., is prescribed.

6. It is to be observed that no distinctions are made in this section. The words of the section are—"In the case of a person receiving *any* salary, &c." (the italics are mine) "any sum payable to him *shall be reduced.*"

7. The Accountant-General however instructs the Deputy Collector that in certain circumstances the tax payable in respect of such salary shall not be deducted, but the tax shall be collected in a different way, *i.e.*, by the Collector or Assessing officer in the same way presumed as the tax on incomes from "other sources" under part IV. The definition of income under part IV is, any source of income not included in part I, part II or part III of this schedule.

8. The ordinary mode of assessment and collection of tax on "other sources of income." Part IV refers only to incomes under that part and not to incomes under part I.

9. I have therefore some doubts as to the legality of the Accountant-General's instructions, and beg to refer them for the Board's orders.