

Public Works (1894) Department.

RAILWAY BRANCH.

G.O., No. 476 R

DATED 7th September

(*) Includes G.O. 370 R & 26.6.94

[Despatch Abstract.]

Income-tax. — Letter from the Govt of India stating that the Manager of the East Coast Railway cannot be compelled for purposes of assessment to the — to furnish the names of Contractors employed on the Railway, and the payments made to them, communicated to the Manager and to the Revenue Department.

BACK PAPERS.

[illegible]

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

ACT No. II OF 1886.

PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor-General on the 29th January 1886.)

An Act for imposing a Tax on Income derived from sources other than Agriculture.

CONTENTS.

CHAPTER I.

PRELIMINARY.

SECTIONS.

1. Extent and commencement.
2. Repeal.
3. Definitions.

CHAPTER II.

LIABILITY TO TAX.

4. Incomes liable to the tax.
5. Exceptions.
6. Power to make exemptions.

[PRICE, 3 ANNAS AND 9 PIES.]

CHAPTER

ACT No. II of 1886.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

SECTIONS.

7. Mode of payment in case of Government officials and pensioners.
8. Mode of payment in case of servants and pensioners of local authorities.
9. Mode of payment in case of servants and pensioners of companies and private employers.
10. Annual return by principal officer of company or association.

B.—Profits of Companies.

11. Annual statement of nett profits.
12. Power to require officers of companies to produce accounts.

C.—Interest on Securities.

13. Mode of payment of tax on interest on securities.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

14. Collector to determine persons chargeable.
15. Mode of making assessment.
16. List of incomes under two thousand rupees.
17. Notices to persons with incomes of two thousand rupees and upwards.
18. Power to modify ordinary procedure in special cases.
19. Time and place of payment.

Trustees, Agents, Managers, and Incapacitated Persons.

20. Trustees, guardians and committees of incapacitated persons to be charged.
21. Non-residents to be charged in names of their agents.
22. Receivers, managers, Courts of Wards, Administrators-General and Official Trustees.
23. Power to retain duties charged on trustees, &c.

Occupying Owners.

24. Provision for tax on occupying owners.

CHAPTER IV.

REVISION OF ASSESSMENT.

25. Petition to Collector against assessment under Part IV.
26. Hearing of petition.
27. Petition to Commissioner for revision.
28. Power to summon witnesses, &c.

CHAPTER

ACT No. II of 1886.

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

SECTIONS.

29. Tax when payable.
30. Mode and time of recovery.

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Composition.

31. Agreements for composition.

Receipts.

32. Receipts and their contents.

Amendment of Assessment.

33. Amendment of assessment.

Penalties.

34. Failure to make payments or deliver returns or statements.
35. False statement in declaration.
36. Prosecution to be at instance of Collector.
37. Sections 193 and 228 of Penal Code to apply to proceedings.

Power to make Rules.

38. Power to make rules.

Miscellaneous.

39. Bar of suits in Civil Court.
40. Exercise of powers of Collector and Commissioner.
41. Obligation to furnish information respecting lodgers and employes.
42. Trustees and agents to furnish information as to beneficiaries and principals.
43. Trustees, &c., to furnish information as to income.
44. Obligation to furnish other information.
45. Sections 176 and 177 of Penal Code to apply to requisitions for information.
46. Service of notices.
47. Power to declare principal place of business or residence.
48. Saving in favor of payers of pāndhari and capitation taxes.
49. Indemnity.
50. Powers exerciseable from time to time.

THE FIRST SCHEDULE.—ENACTMENTS REPEALED.
 THE SECOND SCHEDULE.—SOURCES OF INCOME AND RATES OF TAX.
 THE THIRD SCHEDULE.—FORM OF PETITION.

An

An Act for imposing a Tax on Income derived from sources other than Agriculture.

WHEREAS it is expedient to impose a tax on income derived from sources other than agriculture; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

1. (1) This Act extends to the whole of British India, and applies also, within the dominions of Princes and States in India in alliance with Her Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor-General in Council in that behalf; and

(2) It shall come into force on the first day of April 1886.

(3) Any power conferred by this Act to make rules or to issue orders may be exercised at any time after the passing of this Act; but a rule or order so made or issued shall not take effect until the Act comes into force.

2. On and from the day on which this Act comes into force the enactments specified in the first schedule to this Act shall be repealed, except as to fees payable and other sums due under those enactments and the mode of recovering the same.

Definitions.

3. In this Act, unless there is something repugnant in the subject or context,—

(1) "local authority" means any municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of any municipal or local fund:

(2) "company" means an association carrying on business in British India, whose stock or funds is or are divided into shares and transferable, whether the company is incorporated or not, and whether its principal place of business is situate in British India or not:

(3) "prescribed" means prescribed by the Governor-General in Council by notification in the *Gazette of India*, or by the Governor-General in Council or a Local Government by rules made under this Act:

(4) "salary" includes allowances, fees, commissions, perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit; but, subject to any rules which may be prescribed in this behalf, it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure:

(5) "income" means income and profits accruing and arising or received in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any salary, annuity, pension or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf:

(6) "Magistrate" means a Presidency Magistrate or a Magistrate of the first or second class:

(7) "person" includes a firm and a Hindu undivided family:

(8) "defaulter" includes a company or firm making default under this Act:

(9) "Collector" means the chief officer in charge of the revenue-administration of a district, and, in a presidency-town, any officer whom the Local Government, by notification

notification in the official Gazette, may, by name or by virtue of his office, appoint to be a Collector for the purposes of this Act; in the case of a company or firm, it means the Collector, as here defined, of the district or presidency-town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the Collector, defined as aforesaid, of the district or presidency-town in which the person has his residence:

(10) "principal officer," used with reference to a local authority or a company or any other public body or association not being a local authority or company, means—

(a) the secretary, treasurer, manager or agent of the authority, company, body or association; or

(b) any person connected with the authority, company, body or association upon whom the Collector has caused a notice to be served of his intention of treating him as the principal officer thereof; and

(11) "Part" means a part of the second schedule to this Act.

CHAPTER II.

LIABILITY TO TAX.

4. Subject to the exceptions mentioned in the next following section, there shall be paid, in the year beginning with the first day of April 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor-General in Council directs, 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.

Exceptions.

5. (1) Nothing in section 4 shall render liable to the tax—

(a) any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land-revenue or subject to a local rate assessed and collected by officials of the Government, as such; or

(b) any income derived from—

(i) agriculture, or

(ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or

(iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, when he does not keep a shop or stall for the sale of such produce; or

(c) any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (a), or by the cultivator, or the receiver of rent-in-kind, of any land with respect to which or the produce whereof any operation mentioned in clause (b) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection with the land, requires as a dwelling-house, or as a store-house, factory or other out-building; or

(d) any

- (d) any profits of a shipping company incorporated or registered out of British India and having its principal place of business out of India and its ships ordinarily engaged in sea-going traffic out of Indian waters; or
- (e) any income derived from property solely employed for religious or public charitable purposes; or
- (f) any income which a person enjoys as a member of a company or of a firm or of a Hindu undivided family when the company or the firm or the family is liable to the tax; or,
- (g) subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth, of the income in respect whereof a person would, but for this exception, be chargeable under this Act, as is deducted from the salary of the person under the authority or with the permission of the Government for the purpose of securing a deferred annuity to him or a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on the life of his wife; or
- (h) any interest on stock-notes; or
- (i) the salary of any officer, warrant-officer, non-commissioned officer or private of Her Majesty's Forces or of Her Majesty's Indian Forces who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose salary does not exceed five hundred rupees per mensem; or
- (j) any person whose income from all sources is less than five hundred rupees per annum.
- (2) An officer or servant is not exempt from taxation under this Act by reason only of the income of his employer being exempt therefrom under this section.
6. The Governor-General in Council may, by notification in the *Gazette of India*, exempt from liability to the tax the whole or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

Power to make exemptions.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

7. In the case of a person receiving any salary, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the salary, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof.
8. (1) In the case of a person receiving any salary, annuity, pension or gratuity from a local authority, the tax to which he is liable under Part I shall, at the time of the payment to him of any of the salary, annuity, pension or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that

Mode of payment in case of Government officials and pensioners.

Mode of payment in case of servants and pensioners of local authorities.

that officer within the prescribed time to the credit of the Government of India or as the Governor-General in Council directs.

(2) If that officer does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(3) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the Collector shall, be deducted when any salary, annuity, pension or gratuity is subsequently paid to the person liable to the tax.

(4) The power to deduct under this section shall be without prejudice to any other mode of recovery.

9. (1) The tax to which a person receiving any salary, annuity, pension or gratuity from a company, or from any other public body or association not being a local authority or company, or from a private employer, is liable under Part I shall be payable by him at the time when any portion of the salary, annuity, pension or gratuity is paid to him.

Mode of payment in case of servants and pensioners of companies and private employers.

(2) The Collector may, subject to such conditions as may be prescribed, enter into an arrangement with any company, or any such body or association as aforesaid, or any private employer, with respect to the recovery on behalf of the Government by the company, body, association or employer of the tax to which any person receiving any salary, annuity, pension or gratuity from the company, body, association or employer is liable under Part I.

10. The principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or company, shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

Annual return by principal officer of company or association.

- (a) the name of every person who is receiving at the date of the return any salary, annuity or pension, or has received during the year ending on that date any gratuity, from the authority, company, body or association, as the case may be, and the address of every such person so far as it is known; and
- (b) the amount of the salary, annuity, pension or gratuity so received by each such person, and the time at which the same becomes payable or, in the case of a gratuity, was paid.

B.—Profits of Companies.

11. The principal officer in British India of every company shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, a statement in writing signed by him of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of the nett profits so made during the year ending on the said thirty-first day of March.

Annual statement of nett profits.

12. (1) If

12. (1) If the Collector has reason to believe that a statement delivered under section 11 is incorrect or incomplete, he may cause to be served on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced, for the inspection of the Collector such of the accounts of the company as refer to the year to which the statement relates and as are in his possession or power.

(2) On the day specified in the notice, or as soon afterwards as may be, the Collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II, and the time when the amount shall be paid, and, subject to the provisions of this Act, that amount shall be payable accordingly.

C.—Interest on Securities.

13. (1) The tax payable under Part III in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor-General in Council directs.

(2) If that person does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

14. The Collector shall, from time to time, determine what persons are chargeable under Part IV, and the amount at which every person so chargeable shall be assessed.

15. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then upon the income accruing to him during the year ending on the said thirty-first day of March.

(2) In the case of a person for the first time becoming chargeable under Part IV within the year for which the assessment is to be made, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the Collector, having regard to the circumstances, directs.

16. (1) The Collector shall in each year prepare a list of the persons chargeable under Part IV whose annual income does not, in his opinion, amount to two thousand rupees.

(2) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely:—

(a) his name, and the source or sources of the income in respect of which he is chargeable;

(b) the

- (b) the year or portion of the year for which the tax is to be paid;
- (c) the place or places, district or districts, where the income accrues;
- (d) the amount to be paid; and
- (e) the place where, and the person to whom, the amount is to be paid.

(3) The list shall be filed in the office of the Collector, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4) The list so filed shall be open to inspection at all reasonable times without any payment.

(5) The list, or such part or parts thereof as the Collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6) The list to be prepared in each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

17. In the case of a person chargeable under Part IV whose annual income is, in the Collector's opinion, two thousand rupees or upwards, the Collector shall cause a notice to be served on him stating the particulars (a) to (e), both inclusive, mentioned in section 16, sub-section (2), and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

18. (1) Notwithstanding anything contained in section 16 or section 17, the Local Government may make rules—

- (a) authorizing or directing a Collector in specified cases, or classes of cases, to include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice, and to serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list;
- (b) authorizing the Collector in any specified town or place to cause a general notice to be published, inviting every person chargeable under Part IV to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form published with the notice, of his income during the year ending on the day on which his accounts have been last made up, or, if his accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then of his income during the year ending on the said thirty-first day of March;
- (c) authorizing the Collector in any presidency-town to cause a special notice to be served on any person chargeable under Part IV, inviting him to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form accompanying the notice, of his income computed in the manner described in clause (b) of this sub-section.

(2) A

(2) A return delivered under rules made under clause (b) or clause (c) of sub-section (1) must state the period during which the income has actually accrued; and there must be added at the foot thereof a declaration that the income shown in the return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.

(3) When a Collector authorized in that behalf by rules made under clause (b) or clause (c) of sub-section (1) has caused a notice to be published or served under those rules, he shall not include any person to whom the notice applies in any list made under section 16 or serve a notice on him under section 17 until the time specified in the notice published or served under those rules has expired.

(4) Rules made under this section shall be published in the official Gazette.

19. Every amount specified as payable in a list or notice prepared or served under section 16 or section 17 shall be paid within the time, at the place, and to the person, mentioned in the list or notice.

Time and place of payment.

Trustees, Agents, Managers, and Incapacitated Persons.

20. A person being the trustee, guardian, curator or committee of any infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of the infant, married woman, lunatic or idiot, whether the infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, lunatic or idiot is chargeable under Part IV, be chargeable under that Part in like manner and to the same amount as the infant would be chargeable if he were of full age, or the married woman if she were sole, or the lunatic or idiot if he were capable of acting for himself.

Trustees, guardians, and committees of incapacitated persons to be charged.

21. Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

Non-residents to be charged in names of their agents.

22. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators-General of Bengal, Madras and Bombay, and the Official Trustees shall be chargeable under Part IV in respect of all income officially in their possession or under their control which is liable to assessment under that Part.

Receivers, managers, Courts of Wards, Administrators-General and Official Trustees.

Power to retain duties charged on trustees, &c.

23. When a trustee, guardian, curator, committee or agent is, as such, assessed under Part IV, or when a receiver or manager appointed as aforesaid, a Court of Wards, an Administrator-General or an Official Trustee is assessed under that Part in respect of income officially received, the person or Court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee or agent, or as receiver, manager, Court of Wards, Administrator-General or Official Trustee, retain so much as is sufficient to pay the amount of the assessment.

Occupying

Occupying Owners.

24. (1) Where a building is occupied by its owner, it shall be deemed a source of income within the meaning of this Act, and, if liable to be assessed under this Act, shall be assessed at five-sixths of the gross annual rent at which it may reasonably be expected to let, and, in the case of a dwelling house, may be expected to let unfurnished.

(2) "Owner," as used in this section with reference to a building, means the person who would be entitled to receive the rent of the building if the building were let to a tenant.

Provision for tax on occupying owners.

CHAPTER IV.

REVISION OF ASSESSMENT.

25. (1) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV may apply by petition to the Collector to have the assessment reduced or cancelled.

Petition to Collector against assessment under Part IV.

(2) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under section 16, or in the notice served under section 17, as the case may be. But the Collector may receive a petition after the expiration of that period if he is satisfied that the objector had sufficient cause for not presenting it within that period.

(3) The petition shall, as nearly as circumstances admit, be in the form contained in the third schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

26. The Collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon as he thinks fit.

Hearing of petition.

27. Subject to the control of the Local Government, the Commissioner of the Division, on the petition of any person deeming himself aggrieved by an order under section 12, sub-section (2), or section 26 shall, if the amount of the assessment to which the petition relates is two hundred and fifty rupees or upwards, and may in his discretion if the amount of the assessment is less than two hundred and fifty rupees, call for the record of the case, and pass such order thereon as he thinks fit.

Petition to Commissioner for revision.

28. The Collector or Commissioner may, for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed, summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents, by the same means, and, as far as possible, in the same manner, as is provided in the case of a Civil Court by the Code of Civil Procedure: Provided that the Collector or Commissioner shall not call for any evidence except at the instance of the petitioner or in order to ascertain the correctness of facts alleged by him.

Power to summon witnesses, &c.

CHAPTER

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

29. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

30. (1) In any case of default under this Act the Collector, in his discretion, may recover a sum not exceeding double the amount of the tax either as if it were an arrear of land-revenue or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which he is subordinate, or may pass an order that a sum not exceeding double that amount shall be recovered from the defaulter:

Provided that, where a person has presented a petition under section 25, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2) The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under sub-section (1) for the recovery of the tax chargeable under this Act.

(3) An order passed by the Collector under sub-section (1) shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and the order may be enforced in manner provided by the Code of Civil Procedure for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters, namely,—

- (a) sales in execution of decrees,
- (b) arrest in execution of decrees for money,
- (c) execution of decrees by imprisonment,
- (d) claims to attached property, and
- (e) execution of decrees out of the jurisdiction of the Courts by which they were passed,

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be exercised and discharged by the Collector by whom the order has been made or to whom a copy thereof has been sent for execution according to the provisions of the said Code, sections 223 and 224.

(4) The Local Government may direct, with respect to any specified area, that the tax chargeable under this Act shall be recovered therein with, and as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

(5) No proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable.

CHAPTER

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Composition.

31. (1) If a company or person desires to compound for the tax assessable under Part II or Part IV, as the case may be, the Collector may, subject to such rules as may be prescribed in this behalf, agree with the company or person for a composition for the tax on such terms and for such period as he thinks fit.

(2) The agreement shall provide for the payment, in each year of the period comprised in the agreement, of the amount of the composition; and that amount shall be recoverable in the same manner and by the same means as any other assessment made under Part II or Part IV, as the case may be.

Receipts.

32. When any money is paid under this Act to the Collector or is recovered thereunder by him, he shall give a receipt for the same, specifying—

- (a) the date of the payment or recovery of the money;
- (b) the amount paid or recovered;
- (c) the person who was liable to the tax, and the source or sources of income in respect of which the tax was payable;
- (d) the year or part of the year for which the tax was payable;
- (e) the place or places, district or districts, where the income accrues; and
- (f) such other particulars, if any, as may be prescribed.

Amendment of Assessment.

33. If a company or person assessed under Part II or Part IV ceases to carry on the trade or business in respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person or its or his representative in interest may apply to the Collector during or within three months after the end of the year, and the Collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require; and refund such sum, if any, as has been overpaid.

Penalties.

Failure to make payments or deliver returns or statements.

34. (1) If a person fails—

- (a) to deduct and pay any tax as required by section 8, sub-section (1), or section 13, sub-section (1), or
- (b) to deliver or cause to be delivered to the Collector in due time the return or statement mentioned in section 10 or section 11, or

(c) to

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 12, such accounts as are referred to in the notice, he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

35. If a person makes a statement in a declaration mentioned in section 18, sub-section (2), which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have committed the offence described in section 177 of the Indian Penal Code.

36. A person shall not be proceeded against for an offence under section 34 or section 35, except at the instance of the Collector.

37. Any proceeding under section 12 or Chapter IV of this Act shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

Power to make Rules.

38. (1) The Governor-General in Council may make rules consistent with this Act for ascertaining and determining income liable to assessment, for preventing the disclosure of particulars contained in documents delivered or produced with respect to assessments under Part IV, and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor-General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code:

(3) But a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

(4) Rules made under this section shall be published in the official Gazette.

Miscellaneous.

39. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

40. All or any of the powers and duties conferred and imposed by this Act on a Collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

41. An officer or person exercising all or any of the powers of a Collector under this Act may, by notice, require any person to furnish a list, in the prescribed form, containing, to the best of his belief,—

(a) the name of every inmate or lodger resident in any house used by him as a dwelling-house or let by him in lodgings;

(b) the

(b) the name of every other person receiving salary or emoluments amounting to forty-one rupees ten annas and eight pies per mensem, or five hundred rupees per annum, or upwards, employed in his service, whether resident in any such house as aforesaid or not; and

(c) the place of residence of such of those persons as are not resident in any such house, and of any inmate or lodger in any such house who has a place of residence elsewhere at which he is liable under this Act to be assessed, and who desires to be assessed at that place.

42. An officer or person exercising all or any of the powers aforesaid may, by notice, require any person whom he has reason to believe to be a trustee, guardian, curator, committee or agent to deliver or cause to be delivered a statement of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

43. An officer or person exercising all or any of the said powers may, by notice, require a trustee, guardian, curator, committee or agent, or a receiver or manager appointed by any Court in India, or a Court of Wards, Administrator-General or Official Trustee, to furnish such returns of income liable to assessment under Part IV as may be prescribed.

44. An officer or person exercising all or any of the said powers may, at the instance of any person respecting whose assessment or the amount thereof any doubt exists, require any person to furnish such information as he deems to be necessary for the purpose of ascertaining facts relevant to the assessment or its amount.

45. A person required to furnish any information under section 41, section 42, section 43 or section 44 shall be legally bound to furnish the same in such manner and within such time as may be specified in the requisition for the information.

46. (1) A notice under this Act may be served on the person therein named either by a prepaid letter addressed to the person and registered under Part III of the Indian Post Office Act, 1866, or by the delivery or tender to him of a copy of the notice.

(2) If a notice is served by registered letter, it shall be presumed to have been served at the time when the letter would be delivered in the ordinary course of post, and proof that the letter was properly addressed and put into the post shall be sufficient to raise the presumption that the notice was duly served at that time.

(3) If the notice is to be served otherwise than by registered letter, the service shall, whenever it may be practicable, be on the person named in the notice, or, in the case of a firm, on some member thereof, or, in the case of a Hindu undivided family, on the manager of the joint estate of the family:

(4) But when the person, member or manager cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving-officer shall fix the copy of the notice on the outer door of the house in which the person, firm or family therein named ordinarily resides or carries on business.

47. (1) When

47. (1) When a company or firm has several places of business in territories subject to different Local Governments, the Governor-General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

(2) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3) When a person has several places of residence in territories subject to different Local Governments, the Governor-General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(4) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5) The powers given by this section may be delegated to, and exercised by, such officers as the Governor-General in Council or the Local Government, as the case may be, appoints in this behalf.

48. Where a person is in respect of any period liable to the tax under this Act, he shall not in respect of that period be assessed to the pândhari-tax levied in the Central Provinces under Act XIV of 1867, or to the capitation-tax, or the land-rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

49. Every person deducting, retaining or paying any tax in pursuance of this Act or of any arrangement under section 9, sub-section (2), in respect of income belonging to another person, is hereby indemnified for the deduction, retention or payment thereof.

50. All powers conferred by, or conferable under, this Act may be exercised from time to time as occasion requires.

THE FIRST SCHEDULE.

ENACTMENTS REPEALED.

(See section 2.)

ACTS OF THE GOVERNOR-GENERAL IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act No. II of 1878 ..	The Northern India License Act, 1878 ..	So much as has not been repealed.
Act No. VI of 1880 ..	The Indian License Acts Amendment Act, 1880 ..	The whole.

Acts

ACTS OF THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act No. III of 1878 ..	The Madras License Act, 1878 ..	So much as has not been repealed.
Act No. III of 1880 ..	An Act to amend Madras Act III of 1878 as amended by Act VI of 1880.	The whole.

ACT OF THE GOVERNOR OF BOMBAY IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act No. III of 1878 ..	The Bombay License Act, 1878 ..	So much as has not been repealed.

ACT OF THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

Number and Year.	Short Title.	Extent of Repeal.
Act No. II of 1880 ..	The Bengal License Act, 1880 ..	The whole.

THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to or on behalf of any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.

(a) If the income amounts to Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, or upwards,—five pies in the rupee.
(b) If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem,—four pies in the rupee.

PART

22ND MAY 1889, No. 1368 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.
PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following paper :—

G.O., dated 10th May 1889, No. 2984, Revenue.

Read—letter from the Collector of Madras, dated 16th April 1889, Ref. No. 780-Gl.

ABSTRACT.—Submitting the report called for on the appeal petition of Kuppan Aiyangar against the income-tax imposed on him by the Deputy Collector of Madras.

Order—dated 10th May 1889, No. 2984, Revenue.

The Government sees no reason to modify G.O., dated 2nd February 1889, No. 698, so far as the liability of Kuppan Aiyangar to income-tax is concerned ; but, on the explanation now furnished, His Excellency the Governor in Council is pleased to withdraw the censure passed upon the late Mr. Pritchard, as in this instance at any rate he appears to have gone into the case himself and to have been guilty merely of an error of judgment.

2. All officers of Government should on application furnish Collectors of Income-tax with full information regarding contracts so as to assist the latter in assessing.

(True Extract.)

(Signed) C. A. GALTON,
Secretary to Government.

ORDER—dated 22nd May 1889, No. 1368 W., Public Works.

Communicated to officers of the Public Works Department for information and for guidance with reference to para. 2.

(True Extract.)

(Signed) R. R. E. DRAKE-BROCKMAN, Lt.-Col., R.E.,
Ag. Joint Secy. to Govt., P.W.D.

To Superintending Engineers.
To the Consulting Architect to Government.
" Consulting Engineer for Railways.
" Chief Engineer for Irrigation.
" Examiner, Public Works Accounts.
" Examiner, Railway Accounts.

Exd. J. Henricus.
Spare Copies

GENERAL.
ACCOUNT.

Govt. of {1889} Madras.
PUBLIC WORKS.

Dated May, 22nd.

Recd.

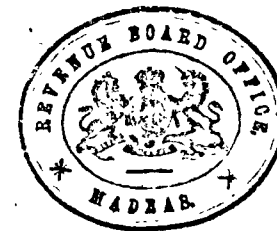
Encl.

G.O., 22nd May 1889, No. 1368 W.

MAY.

Income-tax

Proceedings in the Revenue Department requesting that all officers of Government should on application furnish Collectors of — with full information regarding contracts to assist the latter in assessing, communicated to officers of the Public Works Department.



Proceedings of the Board of Revenue

(Separate Revenue),

Dated 31st May 1894
No. 2363, Mis.

Read the following letter from F. D. A. C.
Wolfe-Murray, Esquire, Acting Collector
Vizagapatam District, dated 17th May
1894, Re No 252
1894

"I have the honor to submit the
following matter for the orders of the
Board.

2. In January last my Headquarters
Deputy Collector addressed the Examiners
of Railway Accounts, East Coast Railway,
Vizagapatam asking him for a list of
Contractors who were engaged in the
business of loading and unloading
Railway materials during the official
year.

year 1893-94 and the amounts —
disbursed to them by the Railway Depart-
ment to enable him to assess them to
Income tax. The Examiner in reply
asked him to quote the authority
under which he was required to
furnish him with the information.
This was placed before Mr. Willock
who answered the Examiner stating
that the information was required
for the assessment of income-tax and
pointing out that when the Railway
asks for any information we do not
enquire on what authority it is asked
for before furnishing it. The Examiner
then referred Mr. Willock to the Managers
of the Railway with a view to orders
being issued for the supply of the —
information.

information if his office was liable
to furnish it under any Government
order or enactment. Mr. ^{Willock} replied on
30th January last that he saw no —
reason why he should correspond
with the Managers on the subject which
is a matter affecting the imperial —
revenue in which all Government
officers are bound to aid him with-
out throwing difficulties in the way
and that he would address Government
on the subject if he would not furnish
the information. No ^{reply} information to
this was received until 20th April 1894.
When I sent him a reminder pointing
out that the delay had probably —
caused some loss to the imperial
revenue and requesting that an early
answer.

answer might be sent as otherwise
no course would be left open to me
but to lay the matter before
Government in order to protect
myself from responsibility for the
loss. The Manager of the East Coast
Railway sent me a reply on the 6th
instant stating that in order to furnish
the information it would be
necessary to incur certain expendi-
ture in clerical labour and asking
whether I would accept debit of it.
I beg to enclose the whole correspondence
for the Board's information and
favour of return. The information
asked for is only with regard to the
large Contractors who received
over

over Rs 1,000 from the Railway and
their list will not be large and will
not therefore involve much clerical
labour. If the officers of the other
Departments of Government do
not aid me in this matter, it will
be difficult to ensure that none
liable to the tax escape it. I therefore
request that the matter may be referred
to Government with a view to the
Manager being directed to furnish
me with this and similar infor-
mation required for the assessment
of income tax. I myself cannot
naturally assist the Railway for this
purpose with clerical labour."

Resolution:-

Submitted to Government for
orders.

orders.

2. Underpara 2 of Government Order.
Misc No 2984 Revenue, dated 15th May
1889, all officers of Government
are bound to furnish Collectors
of Income Tax, on application
with full information regarding
Contracts so as to assist the latter
in assessing.

(True Copy and Extract)

Enclosed

Assistant Secretary

To The Secretary to Government,
Revenue Department
with 10 enclosures in original
to be returned.

Copy to the Collector of
Nizagapatam.

[Signature]
5/6

4924

(1894)

REVENUE DEPARTMENT

Cum 4164

From

The Board of Revenue
(Separate Revenues)

Recd: 3.7.89

Dated 31st May

Received 7 June

Enclosures 10

No. 2 *Miss.*

SUBJECT.

Subm. to Govt. for orders letter from the Collr. of Vizagapatam reporting that the manager of the East Coast Ry. requests to be informed if the Collr. would accept debit for extra expenditure on clerical labour necessary to furnish information req. the incomes of contractors who were engaged in the business of loading & unloading Ry. materials. —

with an Endt.

ABSTRACT.

Endorsement No 2337 Mis.

Transferred to the Public Works Department (Railway) for the issue of the necessary instructions.

Ootacamund
15 June 1894

Recd.

Under Secretary to Govt.

B. No 370 R of 26.6.94
371 R of 26.6.94

No 370 R dated 26.6.94

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Endorsement from the } N.E. No 2337 Mis of 15 June 1894
Revenue Department —

The Manager, East Coast Railway, will be requested to furnish the information asked for by the Collector of Vizagapatam, in regard to the assessment of income tax. — He will be informed that, in accordance with para 2 of G.O. No 13684, dated 22nd May 1889, copy of which is now forwarded to him for information, ~~that~~ all officers of Government are called upon to furnish Collector of Income Tax with full information regarding contracts..

2. A copy of these
Proceedings will be for-
warded to the Director
General of Railways for
information.

H.E. No 371 R 26th June 1894

Forwarded.

MU

20 R

[Faint handwritten notes, possibly a continuation of the letter or a separate note.]

To the Manager East Company
with copy of G.O. No. 1368 W
of 22nd May 1889.

Done 27/6
- 1 - Ex of books E.C.R. with
copy of G.O. No. 1368 W of 22nd May
- 1 - Resumee kept with
10 enclosures in original
returned.

No. 2141, dated 30th August 1892.

From--Lieut.-Colonel J.A. Miley, Controller of Military Accounts,
Eastern Circle, Bengal,
To--The Secretary to the Govt. of India, Military Department.

In reply to Military Department letter No. 3794-D, dated
13th August 1892, enquiring whether the figures of sums passed
by the Commissariat Department to contractors can be furnished
from the records of this Department to the Civil authorities for
purposes of income tax assessment, I have the honour to state
that the information could be furnished by this Department, but
not without special arrangements and additional labour.

2. I would invite attention to paragraph 52, Chapter 1 of
the Military Account Code, and point out, for the consideration
of the Government of India, that the information required is
available in the Commissariat Command Offices from the registers
of bills kept up therein, and that it is not available in this
Department without special arrangements being made to arrive at
it. The work involved in the supply of such information means
no appreciable increase when it is distributed as it would be
if supplied by Chief Commissariat Officers, but it does mean
avoidable expenditure of time ^{and} trouble when it is concentrated
as it would be if performed here. I therefore hope that Govt.
will direct the information to be furnished from the source
from which it can be furnished without appreciable extra labour
or trouble, viz., the Commissariat Department.

NO.

No. 4448-S.R., dated 2nd November 1892.

From-J.E.O'Connor, Esq., Asstt. Secy. to the Govt. of India,
Finance and Commerce Department.

To - The Revenue Secretary to the Government of the Punjab.

I am directed to acknowledge the receipt of your letter No. 273-S, dated the 14th July 1892, regarding the liability of the Commissariat Department to furnish figures of sums paid to contractors for purposes of assessment to income tax, and to say that the view of the law taken by His Honour the Lieutenant Governor is correct.

Copy, with copy of correspondence, forwarded to the Military Department.

(True Copy)

D. J. Munksgaard

Registrar,

Finance and Commerce Department.

Duf

J.R.
No. 4315

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

Simla, the 28th August 1894

*To
The Secretary to the Government of
Madras,
Public Works Department.*

*Sir,
It appears from the Proceedings
of the Government of Madras in the
Public Works Department, Nos. 340R
and 341R dated the 26th June 1894, that
the Manager of the East Coast Railway
has been requested for purposes of
assessment to the income tax to
furnish the Collectors of the Districts
through which the Railway passes
with lists showing the names of
Contractors employed on the Railway
and the payments made to them*

2.

2. I am directed to forward copy
 of correspondence with the Government
 of the Punjab containing
 the decision of the Govern-
 ment of India in a
 similar case and to say that as the
 contractors are not employed in
 the service of the East Coast Railway
 within the meaning of section
 41 (b) of Act II of 1886, The Manager
 of the Railway cannot be compelled
 to supply the information required.

Recd at Dst 3.9.94
 Regd to: 11.9.24

I have the honour to be
 Sir,
 Your most obedient servant

I Ro. C. No. 1

Asst. Secretary to the Govt of India

all B. 14
 23/9
 Duf.

From the Government of the
 Punjab No. 273 dated the 14th
 July 1892 and enclosures.
 To the Govt of the Punjab No. 4448
 dated the 2nd November 1892.

No. 273 S. dated 14th July 1892.

From - R. G. Thomson, Esquire,
 Revenue Secretary to the Government
 of the Punjab.

To - The Secretary to the Government of India,
 Finance and Commerce Department.

I am directed to forward a copy of
 the marginally noted correspondence -

Junior Secretary to Financial
 Commission, No. 395, dated 11th
 June 1892.
 Commissioner's letter No. 1531, dated
 25th May 1892 (with enclosures
 in original, return requested).

} regarding the liability of
 the Commissariat Department
 to furnish figures of sums paid
 to contractors for purposes of income tax
 assessment. In the Lieutenant Governor's
 opinion it is of importance that a
 Government Department like the Com-
 missariat Department engaging in
 commercial transactions should carefully
 observe all the obligations and amenities
 of commercial intercourse. It is not
 probable

a.r.

probable that any commercial firm in the place of the Commissariat Department would furnish information of the sort referred to in this correspondence, unless it could legally be compelled to do so, and Sir Dennis Fitzpatrick would, therefore, not ask the Commissariat Department to do so unless a legal obligation could be shown to exist.

2. The view which Sir Dennis Fitzpatrick inclines to take on the legal question is this. It seems clear that the contractors are not "employed in the service" of the Commissariat Department within the meaning of section 41 (b) of Act II of 1886, and accordingly that Department cannot, he thinks, be compelled to supply the information except under section 28 or section 44. I am to enquire whether the Government of India regards this view as correct.

N:395-

N:395, dated 11th June 1892.

From The Junior Secretary to the
Financial Commissioners, Punjab.
To The Off. Revenue Secretary to
the Government of the Punjab.

I am directed to forward, for the orders of Government, copy of Commissioner, Rawalpindi's N:1531, dated 25th May 1892, (with enclosures in original), regarding the non-compliance by the officers of the Commissariat Department with a request made by the Collector of Sialkot to be furnished for the purposes of income tax assessment with statistics showing the sums paid by the Commissariat Department to contractors of the Sialkot district during the year 1891-92.

2. I am to say that although there may be doubt as to whether the Commissioner is right in holding the Commissariat Department bound, under section

section 41 (2) of the act, to supply the information asked for, yet no valid objection appears to have been raised by the Commissariat Department against complying with the Deputy Commissioner's request. The withholding of the information seems likely to result either in the under-assessment ^{or over-assessment} of a considerable number of persons.

N^o 1531, dated 25th May 1892.

From The Commissioner and Superintendent,
Rawalpindi Division.

To The Junior Secretary to the
Financial Commissioners, Punjab.

I have the honour to forward, for the orders of Government, the correspondence detailed in the margin, in original, regarding the non-compliance by the officers of the Commissariat Department,

{ Deputy Commissioner, Sialkot's
Lt. 74, dated 16th March 1892.
Commissioner's N^o 807, dated 21st March 1892.
Deputy Commissioner's N^o 155, dated
19th May 1892, with enclosures in
original.

with

with a request made by the Collector of Sialkot to be furnished with statistics showing the sums paid by the Commissariat Department ^{to contractors of the Sialkot Dist during} the year 1891-92, such information having been required for income tax assessment purposes.

2. I think that the position taken up by the Commissariat officers is untenable, and that, under section 41 (2) of the Income Tax act, they are bound by law to supply the information that was asked for, and I trust that you will see fit to move that they be directed to supply it in future.

N^o 3794 D, dated 13th August 1892.

From Captain S. D. Gordon, Assistant Secy.
to the Govt of India, Military Department.
To The Controller of Military Accounts,
Eastern and Western Circles, Bengal.

The Government of India having had under consideration the question of the liability of the Commissariat Department

to

to furnish, on requisition from the Civil authorities, figures of sums paid by that Department to contractors for purposes of income tax assessment, I am directed to enquire whether you can furnish this information from your records if the names of the contractors are given you by the Commissariat Department.

N: 2010, dated 23rd August 1892.

From The Controller of Military Accounts,
Western Circle, Bengal.
To The Secretary to the Government of India,
Military Department.

Referring to Military Department
N: 3794. 2 (Commissariat Department),
dated the 13th instant, I have the honour
to state, for the information of Government,
that the particulars referred to can be fur-
nished by this Department, but as no
compiled

compiled statistics are kept of sums paid
to Commissariat contractors, much additional
work for which no establishment is avail-
-able will be entailed on the Commissariat
branch of my office in compiling the same.

2. The information should I think
be more readily furnished by the Chief
Commissariat officers by whom the payments
are made from the counterfoils of their
cheque books, and I would suggest that
those officers be required to furnish the
same to the Civil authorities.

3. The same course might be
ordered in the case of payments to
contractors of the Ordnance and Medical
Departments which are also made by
the Chief Commissariat officers.

No. 2141

N^o. 476 R 77 Sept 1894

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

B

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Letter from the Govt. of } S.E. No. 4315 of 28 Aug 1894
India Finance Commission

Communicated
to the Manager, East Coast
Railway & the Revenue
Department for information
with reference to G.O. No.
370R of 26th June 1894.

From
5
3

The Manager East Coast }
- Engrs. do - }
- Revenue do - } 8/9/94

J.C.C.
17/9

P.W.D.
6867/94