

Public Works (1898) Department.

RAILWAY BRANCH.

G.O., No. 587. *Sky*

DATED

18th April 1898

Includes

139R. 11. 8/29-3-98

[Despatch Abstract.]

Income tax

Ordered that a copy of Mr. Westland's letter dated 28th April 1897, regarding the liability of the furlough allowances of the officers on leave or duty in England, be forwarded to the Agent, S. Sky

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

Med

OFFICE NOTE No. 1390. In.

Dated 29th March 1898.

From

THE JOINT SECRETARY TO GOVERNMENT, P. W. D. (RAILWAY BRANCH),

To

THE Secretary to Govt, Revenue Dept

The undersigned has the honour
to request that this Office may be
furnished with a copy of Mr.
Westland's letter No 2101 of 20.4.1898
to the Accountant General, Bengal
referred to in para 6 of the letter
from the Ag Secretary to the Govt of
Madras in the Rev Dept to the
Secretary to the Govt of India, India
Commerce Dept, communicated
with No 492 Press of 25. Jan
1897.

4/4
25/3/98

Despatched on 29/3/98

190
25.3.98

From

THE AGENT,

South Indian Railway,

Trichinopoly,

To

THE CONSULTING ENGINEER FOR

RAILWAYS,

Madras.

Dated

Received

No. ENCLOSED.

189

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read Office note from the

Key ✓ Public Works Department (Railway Branch),
dated 29 March 1898, N° 139 R. M.

Order thereon R. N° 670 dated 5 April 1898.

Furnished accordingly.

(True Extract)

W. Marjombank

for Secretary to Govt

To,

The Public Works Dept (Ry Branch)

with copy of Mr. Westland's letter

N° 2101 of 28-4-97.

Gobt. of {189 } Madras.
REVENUE.

To

Dated

Recd.

Encl.

Mis. G.O., 189 , No.

SUBJECT.

Public Works (1898) Department.

Railway

CURRENT No. 497

Handwritten signature/initials

Read the folly.

Letter from A. No. 254 & 24.3.98

Office Note to the Rev Depts No 139 RM 29/3/98

From

The Revenue Departt.

Order

No. 587. Dated 18/4/98

Communicated to the
Agent, South Indian Railway
with reference to his letter No.
254 dated 24th March 1898.

R. No. 670

Dated 5th April 1898

Received

Registered

Enclosures 1

Spare copies

SUBJECT.

Furnishing the Public
Works Department with a
copy of Mr Westland's letter
No 2101 of 28.4.97.

The Agent S. I. R.

" " & Managers of R.

" " Examiners of R. Accts

" Agent & Ch: Engr Nilgiri Ry

} with reference to para 6 of
Hable's letter, printed
with G.O. No 450 R. of 9.7.1897.

Copy G.O. No. 450 R. of 9.7.97

Handwritten notes and signatures at bottom left

Handwritten notes and signatures at bottom right

FURTHER PAPERS.



Department of Finance and Commerce.

To the Accountant-General, Bengal,

Simla, the 28th April 1887.

Sir,

In continuation of the letter from this Department, No. 3551, dated the 12th October 1886, I am directed to convey the decision of the Government of India, that any allowance or salary ^{paid} in the United Kingdom, ^{to} officers on leave or duty in that country, is not liable to the tax under Act II of 1886.

2. No deduction on account of the tax should therefore I am to say, be made from any portion of the salary of Babu T.N. Mukerjee, earned by him and paid to him in England.

I have the honour to be &c.,

(sd) J. Westland,

Offg. Secy. to the Govt. of India.

No.

Copy, with copy of despatch from the Secy. of State No. 2 dated the 6th January 1887, forwarded to the Revenue & Agricultural Department in continuation of Endorsement from this Department No. 3637, dated the 12th October 1886.

Copy forwarded to all local Governments and Administrations, to the different Departments of the Government of India (except the Revenue and Agricultural Department), and to all Accountants-General and Comptrollers (except the Accountant-General, Bengal).

By order,

(sd) J.E.O'Connor,

Asst. Secy. to the Govt of India.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Letter from the Agent, South Indian Railway, N^o 254, dated 24th March 1898.

With reference to Government Order N^o 450 R of 9th July 1897 regarding the liability to Income Tax of the furlough allowances of the officers of the Madras Railway on leave in England, I have the honour to request you will kindly obtain and furnish me with a copy of Mr Westland's letter N^o 2101, dated 28th April 1887, to the Accountant General, Bengal, referred to in paragraph 6 of the letter from the Acting Secretary to the Government of Madras in the Revenue Department to the Secretary to the Government of India, Finance and Commerce Department, embodied in the above mentioned Government Order.

Office note to the Revenue Department, N^o 139 R. M. of 29th March 1898.

Proceedings of the Madras Government, Revenue Department.

Read Office note from the Public Works Department (Railway Branch), dated 29th March 1898, N^o 139 R. M.

Order thereon: R N^o 670, dated 5th April 1898.

Furnished accordingly.

Revenue Department.

N^o 2101

Government of India
Department of Finance and Commerce
Separate Revenue
Assessed Taxes
Income Tax.

To the Accountant-General, Bengal,
Simla, the 28th April 1887.

21
P.H. Ry. N^o 497/98

Sir,

In continuation of the letter from this Department, N^o 3551, dated the 12th October 1886, I am directed to convey the decision of the Government of India, that any allowance or salary paid in the United Kingdom, to officers on leave or duty in that country, is not liable to the tax under Act II of 1886.

2. No deduction on account of the tax should therefore, I am to say, be made from any portion of the salary of Babu T. K. Mukerjee, earned by him and paid to him in England.

I have the honour to be &c.

15th J. Westland,

Offg. Secy. to the Govt. of India.

Copy, with copy of despatch from the Secy. of State N^o 2, dated the 6th January 1887, forwarded to the Revenue & Agricultural Department in continuation of Endorsement from this Department N^o 3637, dated the 12th October 1886.

Copy forwarded to all local Governments and Administrations, to the different Departments of the Government of India (except the Revenue and Agricultural Department), and to all Accountants-General and Comptrollers (except the Accountant-General, Bengal).

(By Order)

15th J. E. O'Conor,

Asst. Secy. to the Govt. of India.

Order thereon:— N^o 581. R. dated 18th April 1898.

Communicated to the Agent, South Indian Railway with reference to his letter N^o 254, dated 24th March 1898.

/ True Extract /

To,

Joint Secretary.

The Agent, South Indian Rly.

" + Manager, M. Rly.

" Examiner of Rly. accounts, Madras.

" Agent & Chief Eng., Nilgiri Rly. with copy of G.O.

N^o 450 R. 9th July 1897. - - -

RAILWAY.

Government { 1897 } of Madras.

PUBLIC WORKS.

Recd.

Enclosures

1897.

Regd.

Spare copies

G.O., No. 450 R., 9th July 1897.

JULY.

Income-tax

Correspondence ending with Proceedings in the Revenue Department communicating a letter from the Government of India regarding the liability to — of the allowances of the officers of the Madras Railway on leave in England, communicated to the officers concerned for guidance.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

Letter from the Examiner, Guaranteed Railway Accounts, Madras, dated 17th February 1897, No. 87.

With reference to the attached extract of paragraph 5 of Madras Railway Board's letter No. 907, dated 28th September 1894, regarding the method of payment of furlough allowances to their officers on leave in England, I have the honour to request the orders of Government as to whether Indian income-tax is leviable on allowances paid in the (ii) and (iii) of the methods therein mentioned.

2. In these cases it has been the practice of the company not to recover income-tax, but this procedure appears to me to be incorrect, as the allowances are payable in India but are for the convenience of the employes remitted in the manner stated to the Board for payment in England.

ENCLOSURE.

Copy of Extract of paragraph 5 of Madras Railway Board's letter No. 907, dated 28th September 1894.

5. Adverting to paragraph 16 of No. 904, I am to explain with regard to the payment in future of furlough and sick leave allowance, &c., that there are three courses open to officers and others going on leave—

(i) to authorise the Company's Agent and Manager to make over their pay to Agents in India;

(ii) to authorise the Company's Agent to remit at the risk of the officers.

(iii) to ask the Board to draw on the agent of the company by selling a Bill in London.

No. 1172 C.

Transferred to the Revenue Department for favour of disposal.

(Signed) F. D. FOWLER,
Offg. Joint Secy. to Govt.,
Railway Branch.

26th February 1897.

Read—the following G.O., Mis. No. 2273, Revenue, dated 5th May 1897:—

Read—again G.O., Mis. No. 1238, Revenue, dated 5th March 1897, referring to the Board of Revenue, for remarks, Endorsement of the Public Works Department, No. 1172 C., dated 26th February 1897.

Read—also Proceedings of the Board of Revenue, Separate Revenue, Mis. No. 1348, dated 3rd April 1897.

Order—Mis. No. 2273, Revenue, dated 5th May 1897.

The question raised by the Examiner of Railway Accounts will be submitted for the orders of the Government of India in continuation of Government Order, Mis. No. 1733, Revenue, dated 31st March 1897.

(True Extract.)

(Signed) A. R. KNAPP,
for Ag. Secretary to Government.

From the Honourable Mr. G. STOKES, I.C.S., Acting Secretary to the Government of Madras, Revenue Department, to the Secretary to the Government of India, Finance and Commerce Department, dated 5th May 1897, No. 2273 A.

In continuation of my letter, No. 1734, dated 31st March 1897, I am directed to submit the following matter for the orders of the Government of India.

2. The allowances of officers of the Madras Railway on leave in England are payable in India, but to suit the convenience of the officers concerned, they are permitted to draw their allowances in three ways, viz.—

(i) by authorising the Company's Agent and Manager to make over their allowances to Agents in India;

(ii) by authorising the Company's Agent to remit at the risk of the officers concerned;

(iii) by asking the Railway Board to draw on the Agent of the Company by selling a bill in London.

3. I am to inquire whether income-tax is leviable on sums paid by either the second or the third of the methods above specified.

4. In both cases the amounts being remitted to England at the officer's request, it is a question whether they may not be considered to be received in British India and therefore be held liable to tax.

5. Apart from the question of place of receipt, it would seem that the allowances do accrue and arise in British India, and are on that account liable to tax.

6. In this connection I am to refer to the decision of the Government of India contained in Mr. Westland's letter, No. 2101, dated 28th April 1887, to the Accountant-General, Bengal, and to inquire whether that decision is to be held to apply to all payments of leave allowances in the United Kingdom to officers on leave there or, as the second paragraph of the letter would seem to imply, to the payment of such allowances only as the officers on leave are entitled to receive in the United Kingdom.

7. In the opinion of this Government leave allowances ordinarily payable in British India must be held to be income accruing and arising in British India, and the circumstance that such allowances are remitted to the officers concerned in England cannot be held to exempt such allowances from taxation under Act II of 1886.

Read—the following G.O., No. 492, Press, dated 25th June 1897 :—

Read—also the following letter from the Under Secretary to the Government of India, Finance and Commerce Department, No. 2695 S.R., dated 18th June 1897 :—

I am directed to acknowledge the receipt of your letter, No. 2273 A., dated 5th May 1897, regarding the liability to income-tax of the allowances of the officers of the Madras Railway on leave in England.

2. I am to state that the leave allowances of the officers in question, by whatever arrangements they are drawn, are "salary" payable in India in respect of an office or employment of profit which is in India, and are therefore liable to income-tax.

3. With reference to paragraph 6 of your letter, I am to say that the ruling contained in the letter from this department to the Accountant-General, Bengal, No. 2101, dated 28th April 1887, applies only in the case of officers on leave in the United Kingdom who are entitled to receive their leave allowances in that country.

Order—No. 492, Press, dated 25th June 1897.

Communicated to the Public Works Department and to the Board of Revenue.

(True Extract.)

(Signed) C. H. B. BURLTON,
for Ag. Secretary to Government.

ORDER—No. 450 R., dated 9th July 1897.

Communicated to the Agent and Manager, Madras Railway, and Examiner, Guaranteed Railway Accounts, Madras, for information and guidance.

(True Extract.)

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

To the Agent and Manager, Madras Railway.
" Examiner, Guaranteed Railway Accounts.
" Agent, South Indian Railway (for information).