M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1629	Press Mis.
294-295	
Dated 17- 9- 1860	

Not to be folded or roughly handled

No 294. Read the following letter from W. GREY, Esq., Secretary to the Government of India, to J. D. BOURDILLON, Esq., Secretary to the Government of Madras, dated Fort William, 3rd September 1860, No. 1,845 :—

SIR,

1. I am directed to forward for the information of the Government of Madras the accompanying copy of a communication from the Advocate General, calling attention to the course necessary to be followed under the Rules* applicable to Schedule 4 of the Income Tax Act for assessing the salaries of persons holding Office under any Company in India. (For a definition of *Company* see Section 248.)

* *Part X.*

31st August 1860.

1. Under Rule 4 of Schedule 4 (Part 10 of Income Tax Act) the Commissioners are to entrustsome Assessor specially with the duty of making assessments on the salaries, perquisites, or profits of persons holding any Office or employment of profit under *any Company*. Some Assessor should be entrusted at once with this duty, for the salaries of these Officers are falling due and the Officers of the Companies whose duty it is, when once the assessment is made, to stop the Income Tax out of salaries payable to the persons assessed, are at a loss to know whether to deduct or not. For instance, the Bank of Bengal salaries fall due to-day, and Mr. Stack (the Bank's Solicitor) has just been with me on the subject.

2. The strict legal course will be for the Officer entrusted with the duty of paying the salaries to pay them in full as long as no assessment has been made—and to leave the Assessor to certify afterwards under Rule 10 that the duties have not been deducted, out of the salaries. Upon this certificate the recipients may be made to refund. But the process will be a most troublesome one, and it is very desirable that the Assessor should get to work at once with these Companies.

3. Probably the Bank of Bengal may consent to deduct the 4 per cent. from the salaries due to-day in anticipation of the Assessor making the assessment in a few days. But the Bank is not bound to takethis course : and indeed, if the employés insist on payments in full, the Bank will have no legal right to deduct a farthing before assessment, as it is only the salaries of "person "assessed" that can be stopped under Rule 11, and Companies generally will doubtless pay the salaries in full.

4. The Assessor to be entrusted under Rule 4 must I apprehend be one of the Assessors appointed by Government for the Town.

(Signed) W. GREY, *Secretary to the Government of India.*

No. 295. ORDER THEREON, 17th September 1860, No. 1,629.

Ordered that this letter and its enclosure be forwarded to the Board of Revenue and to the Commissioners for the Income tax, for their information and guidance.

2

No. 1845

FROM W. GREY, ESQUIRE,
Secy. to the Govt. of India,

To The Secretary to the Govt. of Madras

SIR, *Dated Fort William, the 3rd September* 1860.

HOME DEPT. I AM directed to forward for the information of the Govt. of Madras the accompanying copy of a communication from the Advocate General, calling attention to the course necessary to be followed under the Rules* applicable to Schedule 4 of the Income Tax Act for assessing the salaries of persons holding Office under any Company in India. (For a definition of *Company* see Section 248.)

* Part X.

I have the honor to be,
SIR,
Your most obedient servant,

No 1029

Ordered that this letter and its enclosure be forwarded to the Board of Revenue and to the Commissioners for the Income Tax, for their information and guidance.

Board of Rev with an Encl. 2 Oct 17
Com rs for the Income Tax
with Answers
Spare Copies Oct 17