M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1657—52 Press Mis.

338.340

Dated 19-9-1860.

Not to be folded or roughly handled

No. 338. Read the following letter from W. BALMAIN, Esq., Officiating Civil Auditor, to T. PYCROFT, Esq., Chief Secretary to Government, dated 5th September 1850, No. 983 :—

SIR,

In continuation of my letter No. 240 of August 16th, I have the honor to request the Orders of Government on the following points connected with the levy of the Income tax :—

(1.) Officers drawing salary in different Departments, whenever this is known, are charged at the rate due on the whole. In many cases the total of an Officers income is not known and consequently the tax may be levied at a lower rate than is correct. This incorrectness of rate may also occur in cases where persons have a private Income of their own unknown to this office.

(2.) Exemptions on account of Insurances other than those regularly deducted in this office, how are they to be admitted? Is the simple statement of the party sufficient, if not, what proof is to be required?

(3.) In the case of Acting Officers what rule is to be followed? where for instance the simple pay of the employee is below the limit of taxation; but the acting allowance for the month or two for which it is drawn brings it within the incidence of the tax, or where in consequence of absence an employee, who would pay the tax perhaps at the higher rate, draws for the month less than the lowest sum liable to taxation. These cases depend on the length of the leave and other particulars, and can only be properly adjusted at the end of the year. In the meantime what rule is the Audit Office to observe? I am charging on each portion the rate which would be due on the whole salary of the absentee. The Acting Officer paying independently the tax due on his own proper salary.

(4.) Religious or Charitable grants (Section 133). Is Income tax to be deducted on all such grants audited, until Orders of Government are received to exempt?

No. 339. ORDER THEREON, 19th September 1860, No. 1,651.

1. In this letter the Civil Auditor requests the Orders of Government on certain points connected with the levy of the Income tax under Act No. XXXII of 1860.

2. The first inquiry relates to the income of Officers drawn as salary from two or more departments, or accruing from private sources. The Government are of opinion that when an Officer draws his pay on two or more abstracts he should be required in each abstract to enter the total of his salary; and both the Military Auditor General and the Civil Auditor will be directed to publish a Notification to this effect. With respect to income the Governor in Council is of opinion that the Civil Auditor has no concern with that; but that it will be dealt with in the same mode as the income of persons not in public employ.

3. The second question refers to exemptions on account of insurances other that those regularly deducted in the Audit office. It appears to Government that the Ex-officio Assessors have no concern with such deductions, except for official funds. Sections 134 and 135 point out the course to be taken by parties claiming to be exempted from the tax in regard of such payments.

4. As regards the course to be followed in the case of the salaries of Acting Officers the Government would remark that the tax is chargeable on the yearly income. The offices of Audit, Military and Civil will therefore deal with each months' salary, &c., by itself, and consider at the end of the year such claims to exemption as may then be put forward on ground such as those stated by the Civil Auditor.

5. The last question relates to Religious and Charitable grants. The Government have, already under date the 31st August last resolved under clause 133 of the Act
No. 1,484. to exempt from the Income tax the property of all Hindoo and Mahomedan Religious and Charitable Institutions. As to other Miscelllaneous Institutions application for exemption must be made individually, and until exemption is granted on such application the tax must be levied.

6. A copy of Mr. Balmain's letter and of this Order will be forwarded to the Government of India in continuation of the letter dated 27th August, No. 1,444.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Ordered that the following letter be despatched.

No. 340. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to W. GREY, Esq., Secretary to the Government of India, dated 19th September 1860, No, 1,652.

SIR,

1. In continuation of my letter of the 27th August No. 1,444, I am directed to forward the further letters* from the Acting Civil Auditor noted in the margin, 'asking for instructions on certain points connected with the levy of the Income tax, together with the Orders passed thereon by this Government.

28th August 1860, *No.* 295.
4th September ,, ,, 976.
* *Dated 5th september* 1860, *No.* 983.

2. As it is desirable that uniformity of practice in respect of the collection of the Income tax should be preserved at all the Presidencies, I am desired to submit the papers for any further Orders which the Government of India may see fit to give.

Rev. Dept.

No. 1651

Proceedings of the Madras Government
Under date the 19th September 1860.

Read the following letter from the Officiating Civil Auditor.

Solicits the orders of Govt on certain points connected with the levy of the Income tax.

(Covering letter 5th Sept. 1860 No. 983)

In this letter the Civil Auditor requests the orders of Govt on certain points connected with the levy of the Income tax under Act No. XXXII of 1860.

2. The first enquiry relates to the income of officers drawn as ~~salary~~ salary from ~~two~~ two or more departments, or accruing from private sources. ~~whether the Audit office~~ The Govt are of opinion that when

when an officer draws his pay on less or more abstracts he should be required on each abstract to enter the total of his salary; and both the Military Auditor General and the Civil Auditor will be directed to be directed to notification to this effect.

~~The Civil Auditor has no concern with "private income" [illegible] such receipts will be dealt with by the Income Tax Commissioners. All parties liable called upon by the Act are to make a return of their incomes in accordance with part IV of the Act, and when these are furnished the assessors will have the means of ascertaining from the items entered, the portions that have been taxed by~~

With respect to income the Governor in Council is of opinion that the Civil Auditor has no concern with that; but that it will be dealt with in the same mode as the income of persons not in public employ.

~~by the Office assessors~~ deal with the remainder, if any, as the act requires.

3 The second question refers to exemptions on account of insurances other than those regularly deducted in the Civil Office. It appears to Govt. that ~~except in respect to removals~~ official ~~deducted from~~ funds, the ~~Ex~~ officio Directors have no concern with the sums. Sections CXXXIV and CXXXV point out the course to be taken by parties claiming to be exempted from the tax in regard of such payments.

The Ex-officio assessors have no concern with such deductions, except for

4 As regards the course to be followed in the case of the salaries of acting officers the Govt would remark that the tax is chargeable on the yearly

income. The Offices of Audit, Military and Civil will therefore deal with each mith's salary &c. by itself, & consider at the end of the year such claims to exemption as may then be put forward on the such as those grounds, stated by the Civil Auditor

5. The last question relates to religious and charitable grants The Govt. have already under date the 31st Augt. last resolved under No. 11484 clause 133 of the act to exempt from the Income Tax the property of all Hindoo and Mahomedan religious and charitable Institutions - As to other Miscellaneous Institutions application for exemption must be made individually, and until exemption on such application is granted, the tax must be levied &c. &c.

6. A copy of the ~~foregoing Civil Auditor's~~ this letter and of ~~the above~~ order will be forwarded to the Govt. of India in continuation of the letter dated 27th Augt. No. 1644

Mr. Balmain

3 Copies. Civil Auditor Capt. Yo
3 " Military Audr. General
5 " President Income Tax Commrs.
12 " Board of Revenue &c.
&c. &c. Govt. of India

No. 1652.

W. Grey, Esqre.
Secretary to the Government of Jandia

Sir,

I Chief Dept 20 Jan 61

25 Aug. 1860 No. 295
4 Sept. — 976
+ d/s 5 Sept. 1860 No. 988.

2. In continuation of my letter of the 27th August No. 1444, I am directed by ~~the Honorable the Governor in Council~~ to forward the further letter from the Acting Civil Auditor noted in the margin, asking for instructions on certain points connected with the levy of the Income tax, ~~under Act No. XXXII of 1860.~~

~~3. The views of this Government as communicated for the guidance of the Civil Auditor will be found recorded in the accompanying Proceedings.~~ together with the orders passed thereon by this Government.

~~Ext b.~~

~~But~~

Revenue 1860 Despatch
Pro: Report for Septr Quarter
No. 1651 -

Pro: of the Madras Government

Dy 19th September 1860.

Ref to Civil Aud 25 Sept 60 No. 2242. min Rev. 29 Oct No. 1978.

Comm Civil Aud 4 Jan 61
No 536

Q. Whether Exemption Clause 4 Section requiring Certificate from certain Public Officers connected with the Levy of the Income Tax -

From the Civil Auditor dated 2nd Jany 61 No 536 -

C.P. 1661 Rec'd 9th Jan. 61
Ans. 15th Jan. 61 C.P. No. 295

342 - 324
27-8-60
402
31-8-60

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No 338 of 239.

~~2.~~ As it is desirable that uniformity of practice in respect of the collection of the Income tax should be preserved at all the Presidencies, I am desired to submit the papers noted in the margin for any further orders which the Government of India may see fit to give.

3. Two letters from the Act Civil Auditor as well as the orders passed thereon are also transmitted. In the first letter Mr. Balmain enquired whether Mechanical Engineers appointed by warrant came within the exemption laid down in section 12 of the Income tax Act; and he was informed in reply that they did. In the second letter Mr. Balmain said that under section 7 of act 39 of 1860 and section

Ft. St. Geo. 19 Sept. 1860.
28 Aug. 1860 No. 295.
4 Sept. — 1 — 296

section 12 of the original act, he understood that every Military person in Civil employ (except Police) whose income was 200 Rs a year and upward was liable to the tax on the whole of his income, both Military and Civil, and if this was correct, he said that all Military subordinates of the Public Works Department would be liable to the tax, and he suggested that the new rules should only be applied from the date of receipt when they tell in favour of Government. The Civil Auditor was informed in reply that his interpretation of section 7 Act 39 of 1860 was correct and that this Government approved of the mode in which he proposed to apply the new rules.

Orders on certain points connected with the levy of the Income Tax.

Revenue 1860 Departt
Proc: of Govt &c for September

No 1652 -

To

The Secretary to the Govt
of India

Dated 19th September 1860.

Forwarding letters from the Civil Auditor on certain points connected with the levy of the Income tax, and the proceedings thereon.

No 340.

1