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

Proceedings of the Madras Government, Revenue Department, 19th September 1860.

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. 310. 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 eptember* 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.

(Corresp. 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 or more departments, or accruing from private sources. ~~unknown to the Civil Office~~. The Govt are of opinion that when

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

~~The Civil Auditor has~~ ~~"casuals"~~ ~~income~~ ~~which cannot~~ ~~be dealt with by the~~ ~~Income tax Commissioners. All parties will be~~ called upon by the Auditors to make a return of their income &c &c ~~conformable with part IV~~ ~~of the Act. And when~~ ~~these are furnished the~~ ~~Accountant will have~~ ~~the means of ascertaining from them 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.

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

~~by the Ex officio 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 ~~exception is~~ ~~respect to remarks~~ official ~~deducted from~~ funds, the ~~Ex officio Assessors~~ have no concern with such. Sections CXXXIV and CXXXV point out the course to be taken by parties claiming to be exempted from the tax ~~exchequer~~ in regard of such payments.

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 Officers of Military and Civil
Audit will therefore
deal with each mutter
salary &c by itself, &
consider at the end of
the year such claims
to exemption as may then
be put forward on such as those
grounds as 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. 11451
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 Institu
tions application
for exemption must
be
made individually,
and until exemption
is granted, the tax
must be levied. -
on such applications
6. A copy of the
~~letter~~ this
letter and of ~~the order~~
order will be forward
ed to the Govt of India
in continuation of
the letter dated
27th Augt 1844

Mr Balmain's

3 Copies. Civil Auditor Cipt 20
3 " Military Audr Journals
5 " President Income Tax Commrs
12 " Boards of Revenue &
1 " Govt of India

No 1652

Copy &c
W. Grey, Esq^re
Secretary to the Government of Madras

Sir,

I am instructed by the Secretary of State in Council in his letter of the 3rd August No 1844 Com^l directing me to transmit to the Government of Madras the accompanying Copy of a Minute recorded by the Governor General in Council, and of a further letter from the Secretary of State in Council, relating to the mode of collecting the Income Tax in the Madras Presidency, and to request that you will cause the instructions contained in those documents to be carried into effect.

I have &c
(Signed) C. Trevelyan
Secretary to the Govt of India

Fort William
the 29th August 1860

Together with the above forwarded therein by this Government.

Also a copy of the Minute recorded by the Governor General in Council and of the letter from the Secretary of State in Council relating to the mode of collecting the Income Tax in the Madras Presidency.

To the Secretary to the Govt of Madras
Fort St George

Revenue 1860 Departt
Pro: of Govt for September
No 1651 -
Pro: of the Madras Government
Dated 19th September 1860.

From Adjt Genl the Mility Dept
to Cully/60 No 2242 - in Pro: 29th Oct
No 1978.

From Civil Aud dated 25 Febry/61
No 536

On a letter from the Civil Auditor requesting orders on certain points connected with the levy of the Income tax -

From the Govt of India dated 2d July/60
No 1007 - in Pro: 9th Aug
No 1591.

From Bd of Rev dated 1st Octr/62
No 2954

322 - 324
27 - 8 - 60
402
31 - 8 - 60

No 338 & 339

Bks

~~2. Bo~~ 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.

3. Two letters from the Acting 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

For Sec. Govt. 19 Sept. 1860.
28 Aug. 1860 Nos. 295.
4 Sept. 1860 No. 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 upwards 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 for September

No 1652 -

To

The Secretary to the Govt
of India

Fort 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.