M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1961-62 Press Mis.

A17-419

Dated 25 — 10 — 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 25th October 1860.

No. 417. Read the following letter from J. D. SIM, Esq., Secretary to the Board of Revenue, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department dated 3rd October 1860, No. 4,502 :—

SIR,

1. I am directed by the Board of Revenue to acknowledge the receipt of the Order of Government, dated 27th ultimo, Revenue Department, No. 1,726, calling for their opinion on certain points specified by the Government of India, in connection with the "Bill for imposing a duty on Arts, Trades, and Dealings and requiring dealers in Tobacco to take out Licenses."

2. As regards the first point, the Board do not think any rules necessary. All "Arts Trades, or Dealings" will, as proposed in paragraph 3 of the instructions of the Supreme Government, be arranged in three classes, according to their profitable character, without reference to the precise amount of income which each artisan or trader may derive from his individual calling. This is entirely a matter of detail, and set rules would only hamper the Government. The Board enclose a classified list of trades, &c., taken from the Muhtarafa returns ; some additions and alterations will probably be found necessary hereafter, but it will serve to show that rules are unnecessary, and that the duty to be charged on each trade, &c., can be most conveniently and easily fixed in detail, on a rough estimate of its profitable character. The higher rates, where several are suggested, are proposed to be charged in the larger Towns, as in them, the profits of arts and trades are generally larger, notwithstanding the greater expense of living, &c.

1. "What rules is it desirable "to fix for the classification "of persons subject to duties "under Schedules A and B."

3. In regard to Schedule B, or the Tobacco Licenses, the Government of India depart from the principle (laid down in regard to duties on arts and trades) of charging according to the profitable character of the trade rather than the gains of the individual trader. The fee for the License, it is stated, is to be according to the extent of each dealer's business. Of the wholesale rates, the first (Rupees 100 per annum) will be restricted, to the large towns, the other (Rupees 50 per annum) to the smaller towns and villages. The Board propose after communication with the Collectors to lay before Government a list of the places where the higher rate is to be charged, and the names of these will be notified in the District Gazettes. This arrangement is simple and sufficiently accurate for practical purposes, as the largest traders carry on business in the large towns and Seaports. If it be not approved, the only alternative is to apply the higher rate to wholesale dealers whose aggregate sales exceed a certain minimum per annum. The Board believe that neither of the proposed rates will press on wholesale dealers, and they give the preference to the first plan.

4. There are four retail rates ranging from 2 to 24 Rupees per annum, and here classification on the basis of supposed profits is necessary, though such an arrangement has its objections. Considering that dealers of the higher classes will also be subject to Income tax, the Board would propose the following scale :

				License Fee.
Retail Dealers making annual profit of less than Rupees			100...	2 Rupees.
Do.	do.	do.	200...	4 „
Do.	do.	do.	500...	12 „
Do.	do.	above	500...	24 „

Dealings

5. The classification may also be based on the quantity of Tobacco sold, but the Board believe that in practice a scale according to income will be found preferable.

6. As regards the second question of the Supreme Government, the Board consider that no rules will be necessary when the Act is fairly in operation. The Collector's list under Section 9 will contain the name and class of every person known to deal in Tobacco, and Licenses will be forwarded to the Táluq and Village Revenue Officers for delivery, at least a month before the close of each year. Proclamation will be made in every village that the Licenses are ready for delivery, and the few persons who may have been omitted from the Collector's list will have both warning and time to apply for Licenses before they become liable to penalties under the Act. Moreover as these omissions will not be numerous, a sufficient number of blank Licenses may be entrusted to the Táluq Officers for issue in such cases only, up to the 1st January in each year. But these, and the other preliminary arrangements necessary, will take up fully three months, and it is necessary therefore, that the operation of the Act in regard to penalties only should be deferred, so as to admit of this period being available in the first year. The Board think all these arrangements should be left to them, subject to the orders of Government, without any special rules being enacted.

2. "Is it desirable to prescribe by general rules, or "to include in the Act, any, and what forms and process "so as to enable persons liable to the tax, to pay their "duties, and obtain their Licenses with the least possible "delay and trouble.

7. As to the third question, the Board consider that the strictly *Regimental* Bazarmen should alone be exempted from the operation of the Act. They would not exempt general Bazarmen in Cantonments, whether registered or not. Regulation VII of 1832, Section 5, exempts these classes from Muhtarafa, but as that tax will be abolished by this Act, no special provision is necessary to bring such classes within the operation of the latter. To admit of the exemption, the Board presume that a clause to that effect must be added to the Act, as the Collectors under Section 8 can only exempt persons unable to pay the duties, and this cannot be held to include Regimental Bazarmen generally.

3. "How far should the Bill be made applicable to "Military Cantonments, and is any special clause neces-"sary for the purpose?"

The Board will be quite prepared to carry out the Act when passed; and, on the assumption that no material change will be made in its provisions, they will communicate with the Collector on the subject, but, as already stated, three months will be requisite to bring the Act properly into operation.

8. With reference to Section 2 of the Act, the Board wish to know whether it is intended that every partner in a partnership must pay the duties in Schedule A. They presume that this is the case, and that undivided Hindoo families will be deemed partnerships, but the question is sure to be raised, and a timely decision is desirable. They also request to be informed whether a person trading, &c., in different Districts must pay duty or take out a License in each.

9. The Board propose that the duties for wholesale Licenses shall be realised quarterly in advance. The retail License fees and the other duties leviable they propose to collect by instalments in the same way, and at the same periods as the Land Revenue and Muhtarafa. This arrangement will be familiar to the people, and convenient to the Revenue Officers, who otherwise will have to collect the Government revenue from the Income tax, from this source and from the existing sources according to the Calendar, the Official and the Fasli year.

10. The Board propose to leave the working of the Act to the Revenue Officers. They do not think that any Extra Establishments will be necessary except perhaps in Madras, and in large Zámindari tracts. On this subject they will address Government separately hereafter.

Trade.	In Towns.	In Villages.	
	RS.	RS.	
Goldsmiths	3	2	
Grain merchants	3	2	
Braziers	3	2	
Oil mongers	3	2	
Butchers	3	2	
Wood merchants	3*	1	* In Madras only.
Boat owners	3	2	
Money changers	3	2	
Silk weavers	3	2	
Druggists	3	2	
Tanners	3	3	
Iron founders	3	1	
Painters	3	2	
Confectioners	3	1	
Saddlers	3	3	
Glass makers	3	3	
Paper makers	3	2	
Carpet makers	3	3	
Manufacturers of Indigo	3	3	
Do. Sugar	3	3	
Do. Saltpetre	3	2	
Betel sellers	1	1	
Weavers	2	1	
Carpenters	2	1	
Ironsmiths	2	1	
Barbers	1	1	
Chucklers	1	1	
Potters	8	1	
Cloth merchants	2	2	
Tailors	3	2	
Dyers	2	1	
Masons	2	1	
Bricklayers	2	1	
Sawyers	2	1	
Perfumers	2	1	
Stone cutters	2	1	
Ghee sellers	1	1	
Basket makers	2	1	
Keepers of Hack carriages and animals	1	1	
Do. Carts	2	2	
Shell lime burners	1	1	
Stone do. do.	2	1	
Ironsmiths	1	1	
Charcoal burners	2	1	
Bangle sellers	1	1	
Embroiderers	3	3	
Gold and Silver lace makers	2	2	
Farriers	1	1	
Glaziers	2	1	
Burnishers	2	1	
Cutlers	2	2	
Cotton beaters	2	1	† In addition to Tobacco
Turners	3	2	licenses, if any.
General Dealers†			

(Signed) J. D. SIM,
Secretary.

No. 418. ORDER THEREON, 25th October 1860, No. 1,961.

1. In this letter the Board of Revenue report on certain points on which opinions are requested by the Government of India in a recent letter,* in connection with the Bill for imposing a duty on Arts, Trades, and Dealings, and requiring dealers in Tobacco to take out licenses.

* *September 17th* 1860, *No.* 2,016, *Home Department.*

2. In regard to the first point specified, the Government agree with the Board that paragraph 3 of the instructions of the Government of India sufficiently meets the case and that no special rules are necessary for the classification of persons subject to the duties provided in the Bill. The list of Trades, &c., submitted by the Board, taken from the Muhtarafa returns will aid Collectors in making the classification.

3. The rates of license fee fixed by Schedule B for wholesale dealers in Tobacco, are as in the margin. The Board propose that in place of investigations into individual dealings and profits, to determine the rate for each dealer, the higher rate should be payable by wholesale dealers at the large towns and sea ports, which should be determined and their names published in the Gazettes. The Government approve this proposal; and the Board will be requested to submit a list of the places for imposing the higher rate, with a Memorandum of the number of dealers who would thus come under it.

First class, 100 *Rupees per annum.*
Second ,, 50 ,, *do. do.*

4. As to the retail rates the Board consider that a classification on the basis of supposed profits is necessary. They propose to base this classification on the amount of the dealer's profit rather than on the extent of his dealings, and they submit a scale of income for applying the rates. The plan proposed has the advantage of making one inquiry serve for the Income Tax, and for this license Tax, as respects all but the lowest rates. The Government presume however that it is not intended that the scale should be more than a general guide. The locality of the shop, whether in a village or a town will properly be a consideration in determining the rate.

5. In reply to the second inquiry, the Government agree with the Board that no forms or processes for the object stated need be included in the Act or prescribed by the Supreme Government. Any such rules so enacted or prescribed would probably be found unsuitable and embarrassing. But the Board should without delay set about the preparation of detailed instructions, suited to the circumstances of these Provinces, so far as the present undecided condition of the Bill permits, so as to have them in readiness when the Bill shall be finally passed into law. Adverting to some remarks in the early part of paragraph 6 of the Board's letter, the Government observe that under Clause VI of the Bill the Tobacco licenses are not to be renewed annually. The meaning of some parts of Clause IX is not quite clear in connection with Clause VI, unless it is intended that a person commencing to deal in Tobacco is not to be required to take out a license until the 1st January succeeding.

6. Referring to the third inquiry the Board consider that the strictly Regimental Bazarmen should alone be exempted from the operation of the Act, not Bazarmen in Cantonments whether registered or otherwise. The Government however do not consider that any exception is necessary in favor of Military Bazarmen. They are wholesale or retail dealers, and are as well able to pay the tax as dealers of other classes.

7. In paragraph 8 the Board inquire with reference to Section II of the Act whether every partner in a partnership must pay the duties in Schedule A, and whether undivided Hindoo families will be deemed partnerships. The terms of the Section quoted seem to make it clear that a partnership is to pay only as an individual dealer. The Government have already ruled* that an undivided family is to be assessed to the Income tax like a partnership, and the same rule applies equally to the case of this Act.

* *Order dated 8th October* 1860, *No.* 1,817.

8. As to the inquiry at the close of the same paragraph, whether a person trading in different Districts is to pay duty or take out a license in each, the Government have to point out that Section III is quite clear on this point as respects the Tobacco tax. Unless the Bill should be modified, or the Government of India should rule differently, the Government are of opinion that the same rule should apply to other dealers.

9. Adverting to paragraph 9 of the Board's letter, the Government are of opinion that the whole of the duties under this Act should be collected quarterly but not in advance. To divide such small payments as very many of them will be, into the numerous and unequal instalments prevailing in the land Revenue would be inconvenient. The dates of payment for the quarterly instalments may be the 1st March, 1st June, 1st September and 1st December is each year.

10. The Government agree with the Board (paragraph 101) that extra establishments will not be necessary for the working of the Act, except in Madras and in large Zámíndari tracts

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

Ordered that the following letter be despatched.

No. 419. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to W. GREY, Esq., Secretary to the Government of India, dated 25th October 1860, No. 1,962.

SIR,

1. I am directed to acknowledge the receipt of your letter dated 17th September No. 2,016, and to transmit copy of one from the Board of Revenue, replying to the inquiries on the points mooted by the Government of India in connection with the Bill for imposing a duty on Arts, Trades and Dealings, and requiring Dealers in Tobacco to take out Licenses.

Dated 3rd October 1860, *No.* 4,502, *with one enclosure.*

2. The views of this Government on the points reported on by the Board, are contained in an Order of this day's date, a copy of which is also transmitted. They need not be repeated here; but the Governor in Council begs to be favored with further instructions in case any of their opinions thus recorded are at variance with the instructions of the Government of India.

R. D.

No. 1961

Proceedings of the Madras Government.—

Under date the 25th Oct. 1860.

Read the following letter from the Secy. to the Board of Revenue.—

Agreeably to orders reports on certain points specified by the Govt. of India in connection with the Bill for imposing a duty on Arts, Trades and Dealings, and requiring dealers in Tobacco to take out licenses.—

(Here enter 3rd Oct. 1860 No. 4502)

In this letter the Board of Revenue report on certain points on which opinions are requested by the Govt. of India in a recent letter†, in connection with the Bill for imposing a duty on Arts, Trades, and Dealings

† Sept. 14, 1860 No. 2016, Home Dept.

Dealings, and requiring dealers in Tobacco to take out licenses.

2.— In regard to the first point specified, the Government agree with the Board that para 3 of the instructions of the Government of India sufficiently meets the case and that no special rules are necessary for the classification of persons subject to the duties provided in the Bill. The list of Traders &c to be submitted by the Board, taken from the Mohturpha returns will aid

First class - 100 Rs. per annum
Second — 50 — do do

3

aid Collectors in making the classification.—

3.— The rates of license fee fixed by Schedule B for wholesale dealers in Tobacco, are as in the margin. The Board propose that in place of investigations into individual dealings and profits, to determine the rate for each dealer, the higher rate should be payable by wholesale dealers at the large towns and Sea-ports, which should be determined

determined and their
names published in the
Gazettes - The Govt. approve
this proposal; and the
Board will be requested
to submit a list of the
places for imposing the
higher rate, with a Memo:
of the number of dealers
who would thus come un-
-der it. —

4. — As to the retail
rates the Board consider
that a classification on
the basis of supposed
profits is necessary -

They

They propose to base this
classification on the amount
of the dealer's profit rather
than on the extent of his
dealings, and they submit
a scale of income for ap-
-plying the rates. The plan
proposed has the advan-
-tage of making one enquir-
-y serve for the Income
tax, and for this license
tax, as respects all but
the lowest rates - The
Govt. presume however
that it is not intended
that the scale should
be more than a general
guide - The locality of

of the shop, whether in a village or a town will properly be a consideration in determining the rate-

5.— In reply to the second enquiry, the Govt. agree with the Board that no forms or processes for the object stated need be included in the Act or prescribed by the Supreme Government. Any such rules so enacted or prescribed would probably be found unsuitable and embarrassing.

But

But the Board should without delay set about the preparation of detailed instructions, suited to the circumstances of the Provinces, so far as the present undecided condition of the Bill permits, so as to have them in readiness when the Bill shall be finally passed into law. Adverting to some remarks in the early part of para 6 of the Board's letter, the Govt. observe that under clause VI of the Bill the

the tobacco licenses are not to be renewed annually. The meaning of some parts of clause IX is not quite clear in connection with clause VI, unless it is intended that a person commencing to deal in tobacco is not to be required to take out a license until the 1st January succeeding.—

6.— Referring to the third enquiry the Board consider that the strictly Regimental Bazaarmen should alone be exempted

exempted from the operation of the Act, not Bazaarmen in Cantonments whether registered or otherwise. The Government however do not consider that any exception is necessary in favor of Military bazaarmen. They are wholesale or retail dealers, and are as well able to pay the tax as dealers of other classes.

7.— In para 8 the Bd. enquire with reference to section II of the Act whether every partner

in a partnership must pay the duties in Schedule A, and whether undivided Hindoo families will be deemed partnerships - The terms of the section quoted seem to make it clear that a partnership is to pay only as an individual dealer - The Govt. have already ruled that an undivided family is to be assessed to the Income tax like a Partnership, and the same rule applies equally to the case

× order d/ 8 Aug 1860 & 1917

case of this Act. —

8. — As to the enquiry at the close of the same para whether a person trading in different districts is to pay duty or take out a license in each, the Govt. have to point out that section III is quite clear on this point as respects the tobacco tax - Unless the Bill should be modified, or the Govt. of India should rule differently, the Govt. are of opinion that the same rule

rule should apply to other dealers -

9. — Adverting to para 9 of the Board's letter, the Govt. are of opinion that the whole of the duties under this Act should be collected quarterly but not in advance. To divide such small payments as many many of them will be, into the numerous and unequal instalments prevailing in the land Revenue would be inconvenient

inconvenient - The dates of payment for the quarterly instalments may be the 1st. March, 1st. June, 1st. Sept. and 1st. Decr. in each year. —

10. — The Govt. agree with the Board (para 10) that Extra Establishments will not be necessary for the working of the Act, except in Madras and in large Zamindarry tracts.

To the Board of Revenue.

12 Copies
To the Board of Revenue.

Comptroller

Revenue 1860 Department.
Pro: of Govt. for October.

No. 1961.

Pro: of the Madras Govt.
Dy 25th October 1860.

Mis. Pro. 17 Dec 1860
No. 7.

From the Secy to the Bd of Revr 7-5 Jan 1861 C. p. 1-54.

Reviewing the Board's report on certain points in connection with the Bill for imposing a duty on Arts, Trades and Dealings and for requiring dealers in Tobacco to take out licenses.

No. 417 & 418.

Rev. Dept.
Fort Saint George
23d October 1860.

No. 1962

To

W. Grey Esquire
Secy to the Govt of India.

Sir,

P.I. I am directed to acknowledge the receipt of your letter dated 17th Sept. No. 2016, and to transmit copy of one from the Board of Revenue, replying to the enquiries on the points mooted by the Government of India in connection with the Bill for imposing a duty on Arts, Trades and Dealings, and requiring Dealers in Tobacco to take out Licenses.

dated 3d Oct. 1860 No. 1502 with one enclosure

2. The views of this Government on the points repeated on by the Board, are contained in an order of this day's date, a copy of which is also transmitted. They need not be repeated here,

here; but the Governor in
Council begs to be favored
with further instructions in
case any of their opinions thus
recorded are at variance with
the intentions of the Government
India.

Fort St. Geo:
25th Octr/60.

-11-

(17)

Report on the Bill for imposing a duty on Arts &c.

4-11-1861

Revenue 1860 Dept. No.
Print of Govt. for October
No 1962

To the Secretary to the
Govt. of India.
Dy 25th October 1860.

Transmitting Copy of
the Board's reply to the
enquiries on certain
points in connection with
the Bill for imposing
a duty on Arts &c and
for repealing duties on
Books &c which
Books &c

No 419-

I circulate this
order because the
draft
differs in some
particulars from
the notes made in
the letter in circulation
Se especially paras
5, 7, & 8 of the
draft.

26th October 1860