M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1978-79	Press ~~Mis.~~
A49 - 51	
Dated 29 - 10 - 1860.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
29th October 1860.

No. 449. Read the following Proceedings of the Madras Government in the Military Department, dated 12th October 1860:—

Read the following letter from Lieutenant-Colonel W. G. WOODS, Adjutant General of the Army, to Colonel H. MARSHALL, Secretary to Government, Military Department, dated 10th October 1860, No. 945:—

SIR,

1. I have the honor, by order of the Commander-in-Chief, to request you will be good enough to bring the following circumstances under the consideration of the Honorable the Governor in Council.

2. Since the introduction of the Income Tax Act, No. XXXII of 1860, the Abstracts of this Department have been prepared according to a form furnished by the Audit Department, in which fines levied from Clerks were alone deducted from salaries, and Income Tax charged on the balance.

3. On the 1st instant, a new form of Abstract was furnished by the Audit Department for observance, one column of which is headed "Exemptions under Rule 12, Sections 100, and "134, as per accompanying Statement." Rule 12 refers to official deductions, such as *Fines*, &c., and Section 134, to payments made to Insurance Societies and other funds for the benefit of Widows and Children.

4. An Abstract according to this revised form was therefore submitted for the salaries of the Officers and Office Establishment of my Department in arrears for September 1860, deductions being made from salaries of the amounts liable to exemption under the Sections of the Act quoted: and on the application of the Paymaster the necessary declarations and certificates were supplied in support of the deductions.

5. The Military Auditor General has, however, refused to admit the exemptions quoting paragraph 3 of Order of Government dated 19th September 1860, No. 1,651, entered in the margin, as authority for the refusal.

"The second question refers to exemptions on account of Insurances, "other than those regularly deducted in the Audit Office. It appears "to Government, that *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."

6. Income tax has already been recovered by Government on the payments in question for the months of July, August and September; and the parties concerned must endeavour to obtain a refund from the Collectors and Commissioners appointed by Government subsequent to the tax being levied.

7. If all Government servants were in receipt of a separate private income, liable to Income tax, no inconvenience would arise from the proposed arrangement; as the parties concerned could make such deductions on account of Insurance payments from their private income Return; but this is not the case. The majority of them are dependent solely on the salaries received from Government, and if they are to be left to themselves to effect the recoveries, it is possible that many from ignorance of the proper mode of procedure, would be deprived of their money for a lengthened time, if not altogether.

8. His Excellency is clearly of opinion, that if Government see fit to employ *ex-officio* Assessors to recover the Income tax from Public Servants, those *ex-officio* Assessors should be the parties to make the authorized exemptions: otherwise, the *ex-officio* Assessor will continue to deduct from the Monthly Abstracts what will fall as regularly to be recovered through another channel; a course which it must be obvious to Government, cannot but involve absence of Clerks from their duties, and cannot but be attended with unnecessary inconvenience to its servants.

9. Under these circumstances, Sir Patrick Grant requests the Government will be pleased to reconsider the order issued in Proceedings Madras Government, No. 1,651, dated 19th September 1860.

Referred to the Revenue Department.

Fort Saint George,
12*th October* 1860.

(Signed) H. MARSHALL, Colonel,
Secretary to Government.

In the case of

No. 450. ORDER THEREON, 29th October 1860, No. 1,978.

1. In paragraph 3 of the order of September 19th No. 1,651, the Government ruled that *ex-officio* Assessors had no concern with exemptions under Section 134 of Act 32 of 1860, for, other than Official Funds; and that parties claiming to be exempted in regard to payments for other Insurances, must be left to take the course pointed out in Section 135. With reference to this decision the Commander-in-Chief, through the Adjutant General of the Army, represents that inconveniences will result from the operation of this order, and recommends that the Official Assessors may be empowered to allow the authorized exemption in the case of all Insurances.

2. The Government are of opinion that the rule laid down in the order above quoted is undoubtedly the correct one according to the Act; but as it appears that, practically, it will be productive of inconvenience to the public service and to individuals, and as it has been ascertained that in Bengal, in the Military Department at least, the course now recommended is followed, the Honorable the Governor in Council directs, in supersession of paragraph 3 of the order of September 19th, that the *ex-officio* Assessors in this Presidency also, in both the Civil and Military Departments, shall allow the exemptions claimable under Section 134 for Insurances of all the kinds specified. Each such claim to exemption must be supported by a declaration, to be attached to the Pay Abstract of the claimant.

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

Ordered that the following letter be despatched.

No. 451. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, dated 29th October 1860, No. 1,979:—

SIR,

1. With reference to my letter of the 19th September No. 1,652. I am directed to forward for the information of the Government of India copy of a letter from the Adjutant General of the Army dated the 10th instant No. 945 and of the order of this Government thereon, on a point connected with the levy of the Income Tax. It was at first ruled* that ex-officio Assessors should have no concern with exemption for Insurances other than those for Official Funds; but though this Government are still of opinion that this rule is the correct one under the Act, they have consented, under representations from His Excellency the Commander-in-Chief of inconveniences resulting from the course of proceeding, to permit the ex-officio Assessors to admit exemptions for all the Insurances specified in section 134.

**Paragraph 3 of Order 19th September No. 1,651.*

2. It appears from a telegram received, by the Military Auditor General at Madras from the Military Auditor General at Calcutta, that this rule accords with the practice in Bengal.

No 945

From
The Adjutant General
of the Army
To
The Secretary to Government
Military Department.

Sir,

I have the honor by order of the Commander-in-Chief to request you will be good enough to bring the following circumstances under the consideration of the Honorable the Governor in Council.

2 Since the introduction of the Income Tax Act No. XXXII of 1860, the Abstracts of this Department have been prepared according to a form furnished by the Audit Department, in which Fines levied from Clerks were alone deducted from Salaries, and Income Tax charged on the balance.

3. On the 1st Instant a new form of Abstract was furnished by the Audit Department for observance, one Column of which is headed "Exemptions under Rule 12 Sections "C and CXXXIV as per accompanying "Statement." Rule 12 refers to official deductions, such as Fines &c and Section CXXXIV

No

in the case of

fines -

&c

CXXXIV to payments made to Insurance Societies and other Funds for the benefit of Widows and Children.

1 An Abstract according to this revised Form was therefore submitted for the Salaries of the Officers and Office Establishment of any Department in arrears for September 1860, deductions being made from Salaries of the amounts liable to exemption under the Sections of the Act quoted: and on the application of the Paymaster the necessary declarations and Certificates were supplied in support of the deductions.-

5 "The Military Auditor General has however refused to admit the exemptions quoting para 5 of Order of Government dated 19th September 1860 No 1651, entered in the margin, as authority for the refusal.-

6. "Income Tax has already been recovered by Government on the payments in question for the Months of July, August and September, and the parties concerned must endeavour to obtain a refund from the Collectors and Commissioners appointed by Government subsequent to the tax being levied.-

7. "All Government Servants were

x "The second question refers to exemptions "on account of Insurances other than 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."

25-X-60
25-5-61

3

were in receipt of a separate private income liable to Income tax, no inconvenience would arise from the proposed arrangement as the parties concerned could make such deductions on account of Insurance payments from their Private Income Return, but this is not the case.- "The majority of them are dependent solely on the Salaries issued from Government, and if they are to be left to themselves to effect the recoveries, it is possible that many from ignorance of the proper mode of procedure, would be deprived of their money for a lengthened time, if not altogether.-

8 "His Excellency is clearly of opinion, that if Government see fit to employ ex-officio Assessors to recover the Income Tax from Public Servants, those ex officio Assessors should be the parties to make the authorized exemptions: otherwise, the ex-officio Assessors will continue to deduct from the Monthly Abstracts what will fall as regularly to be recovered through another Channel: a course which it must be obvious to Government cannot but involve absence of Clerks from their duties, and cannot but be attended with unnecessary inconvenience to the Servants.-

Under

in the case of

nees -

I Under these circumstances,
Sir Patrick Grant requests the Government
will be pleased to reconsider the order
issued in Proceedings of Madras Government
No 1651 dated 19th September 1860.

I have the honor to be,
Sir,
Your Obedient Servant,
W.G. Woods Lt Colonel
Assistant General
of the Army

Adjt Genls Office
Fort St George
10 October 1860

Nov^r – I put up
on this subject some dim-
official correspondence
that has passed – I told
Col. Lane from, generally to
the Govt. not, that the costs
of the Govt. was complained
of, the Govt, & must in
accordance with the Act –
Geo R I

The rule laid down by us is
undoubtedly the correct one –
but as it is impossible, under
a Measure in its extended sphere
of action to know beforehand
in all instances it may be
right, for Col. Lane's information
hereafter I will be observed
I see two cases one order – this for
I see two letters from one station
to many dispersed likely to
result – from the rule we have
passed being carried out – but
it appears to me better to
follow the course adopted in the
Bengal –

W R

Very well
E

The cases [illegible] decided
upon must be attended with a
greater or expense at the
smaller service are handicapped
and serious evils to individuals
I am glad therefore that it has
been determined as I advised

E

[illegible] on the case of
[illegible]nees –

4

Rev Dept 5

No. 1978

Proceedings of the Madras Government Under date the 29th October 1860

Read the following

Proceedings of Government in the Military Department.

Referring a letter from the Adjutant General of the Army bringing to notice certain circumstances connected with the exemptions on the Income Tax &c. (Here enter 10th Octr 1860 No. 945)

In para 3 of the order of Sep 19th No. 1651, the Govt ruled that ~~the only deduction from official salaries which were to be allowed by the ex officio assessors were to be those for official funds~~ ex-officio assessors had no concern with exemptions under section 134 of Act 32 of 1860, for other than Official Funds, and that —— parties claiming to be exempted in regard to ~~other~~ payments ~~to other insurances~~ must be ~~being~~ left to take the course pointed out in Sec 135. ~~of Act XXXII of 1860.~~ With refce to this decision, the Comdr in chief, thro' the Adjt Genl of the Army, represents ~~the many difficulties likely to result therefrom & appeals a reconsideration of the Adjt.~~ that inconveniences will result from the operation of this order and recommends that the Official assessors may be empowered to allow the authorized exemption in the case of all Insurances —

(8)

Pro. of Govt Reve. Deptt No. 1651 d/ 19 Septr /60.

19th Sept 1860

No. 331–337

Rev. 1860 — Depart

Pro. of Govt for October

Military Departt

~~No. 4[illegible]~~ No. 2242

From The Adj Genl

To The Secy to Govt

Dated 10th } Octr No. 945

Recd 12th

Bring to notice certain circumstances connected with the exemptions in the Income Tax &c.

Referred to the Revenue Department

[illegible]

To The Revenue Department 12th

No. 449

No. 1978 — 29th October

2 The Ist ~~Question~~ opinion
that the rule laid down in the order above quoted
~~I believe~~ is undoubtedly
according to the act;
the correct one ~~is~~ but as it appears
~~is shown~~ that, practically,
it will be productive of
inconvenience to the public
service and to individuals,
and as it has been ascertained
that in Bengal, in the
Mily dept at least, the course now recommended is followed,
~~officiating Assessors should~~
~~deduct no income under Sec 134~~
the B the Govt directs,
in supersession of the Order
para 3
of Sep 19th, that the ex-officio
Assessors in this Presidency also,
in both the Civil and Military
departments, shall allow the
exemptions claimable
under Sec 134 for insurances of all the kinds
~~all payments to made by~~
~~Govt Servants for the objects~~
specified
~~specified in that Section~~
such
Each claim to exemption a
must be supported by a
~~a Law~~ declaration, to be
attached to the Pay Abstract,

of the ~~Indented~~ claim and

7
To
The Mily Dept. Civ Pc 30
2 Mily Aud Genl "
3 Civil Auditor "
12 Board of Rev. "
12 President Income Tax Comrs "
3 Accts General "
3 Special Com Income Tax "

Rev Dt

No 1979

To The Secy: to the Govt.
of India
Sir

With reference to my letter
of the 19th Sept: 1852. I am
directed to forward for
the information of the
Govt of India copy of a letter
from the Adjutant General of the Army
dated the 10th instant No 946
and of the order of this
Govt thereon, on a point
connected with the levy
of the Income Tax. It was
at first ruled that the
ex officio Assessors should
have no concern with
the deductions from the
for Special Funds; but
tho' this Govt are still of opinion
that this rule is
the correct one
under the act, they have consented,
under representations from His
Excellency the Commander in Chief of inconveniences

*Para 3 of Dr 19th Sept: 1851.

exemptions for insurances other than those for

Ex-Offices Assessors to
exempt payment to for Life
Insurances &c from the Income
tax.

Revenue 1860 Dept
No: of Govt for Recd
No 1978
Do No: of the Calcutta Govt
Dated Octo 20th 1860.

From W. Muir Esq Secy to Govt
N.W.P. Recd Octo 30th 1860
No 9826
Dis No: 17. Dec No 2426.

Directing the exemption
of the Commander in Chief
&c, that the ex-Officio
Assessors within Presidency
towns in the Bengal Civil
and Military Departments
shall allow the exemption
from Taxation for Insurances
effected for the benefit of
Officers &c

No 4449 of 1860.

venences resulting from the course of proceeding, to permit

~~that~~ the ex officio Assessors to admit exemptions for all the insurances specified in Sec 134

~~shall also exempt from the tax, under Sec 134 all payments to made by public servants for the objects specified in that Section.~~

2 It appears from a telegram rec'd ~~on the 1st Sept last~~, by the Daily Advertiser at Madras from the Daily Advertiser at Calcutta, that this ~~Presidency~~ Mode accords with the practice in Bengal.

Fort St. Geo: 29 October 1860

Revenue 1860 Dep.tt.
Pro: of Govt. for October

No. 1979.

To the Secretary to the
Govt. of India.
Dy. 29th October 1860.

~~From Govt of India in the Fin.l Dep.tt~~ 7/21 Nos/60 Ct 2894
in Pro:

Forwarding copy of a
letter from the Quarter Mr.
General of the Army on a
point connected with the
levy of the Income tax
with orders thereon.

No 451.