M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2030 Press ~~Mis.~~

35-36

Dated 2 — 11 — 1860.

Not to be folded or roughly handled

No. 35. Read the following letter from T. PEACHEY, Esq., for Acting Accountant General, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 30th October 1860, No. 252:—

SIR,

1. I have the honor to report for the information of Government that when preparing the draft of instructions in furtherance of the order of Government No. 1,923 dated 20th instant, viz., to bring the proceeds of the Income Tax to account under "Sundry Sources of Revenue," it was found that the order of Government in question would conflict with Sections 190, 241 and 247 of Act No. XXXII of 1860; under Section 190, all moneys arising from the duties imposed by the Act are to be paid to an account to be headed Income Tax Account: under Section 241, all penalties, forfeitures and fines levied under the Act, after deducting any portion thereof authorised to be paid by the Act, are to be paid to the account to be headed Income Tax Account: and under Section 247, all salaries or remuneration whether by way of fixed fees or of percentage on sums realized, or otherwise, paid to Officers or persons appointed under the Act for the performance of any of the duties prescribed by the Act, are to be paid from the duties collected under the Act, *i.e.*, in other words, all charges incurred for the assessment and levy of the tax should be debited to the account to be headed Income Tax account. All refunds of the tax should also, as a matter of course, be debited against the Income Tax account. The Income Tax account is therefore clearly intended to be a profit and loss account, in which all collections, penalties, forfeitures and fines should be entered on the debtor side, and all charges and refunds on the creditor side, the difference between the two sides being the balance, or profit or loss, as the case may be.

2. According to the instructions conveyed in the order No. 1,923 dated 20th instant, the collections of the tax will be credited to "Income Tax," *subordinate* to "Sundry Sources of Revenue," and consequently will not be brought into the Territorial Ledger as a distinct account, as it ought to be according to Act No. XXXII of 1860. Then again, all minor fines and forfeitures will be credited to "Extra Revenue," subordinate to the same general account aforesaid: and all penalties, forfeitures and fines collected by judicial process, will be credited to "Judicial Receipts." The charges for the assessment and levy of the tax will be debited to "Revenue Charges General," minor account "Income Tax," and refunds of duty on appeal, to "Refunds of Revenue." The proceeds and charges on account of the tax will thus be entered under five accounts, under none of which will it be brought distinctly into the Ledger.

3. I have the honor therefore to suggest that I may be permitted to open a distinct account to be styled "Income Tax," as contemplated by the Act, under which should be entered all collections, penalties, fines and forfeitures levied under Act XXXII of 1860, and all charges for the assessment, levy and refund of the tax, in the same way as the receipts and charges on account of stamps, are now exhibited in account under the distinct head "Superintendent of Stamps."

4. I request that I may be favored with the orders of Government at an early date, as it is necessary that no time be lost in issuing the requisite instructions to Treasury Officers.

No. 36. ORDER THEREON, 2nd November 1860, No. 2,030.

4th October 1860, *No.* 1,781.
20th " " 1,923.

Under the circumstances stated the Governor in Council authorizes the Accountant General to open a distinct account to be styled "Income Tax" instead of making it a subordinate head of "Sundry Sources of Revenue" as directed in the orders quoted in the margin.

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

Revenue Department.

No. 2030.

Proceedings of the Madras Government
Under date the 2nd November 1860.

Read the following letter from the
Acting Accountant General

Requesting to be allowed to bring to account in the manner pointed out all collections penalties fines and forfeitures on account of the Income tax levied under Act XXXII of 1860

Her Endr 30th October 1860 No. 2521

Under the circumstances stated the Governor in Council authorizes the Accountant General to open a distinct account to be styles "Income Tax" instead of making it a subordinate head of "Sundry Sources of Revenue" as directed in the orders quoted in the margin

Dy. No. Oct. 60 No. 1781
20th — " — 1923

To the Accountant General 25 10

3 Copies - Accountant General
12 " Board of Revenue

Revenue 1860 Departt.

Pro: of Govt for November

No 2030.

348·349

20·10·60.

Pro: of the Madras Govt

of 22 Novr 60.

Accountant General to

open a distinct account to

be styled "Income Tax"

instead of making it a

subordinate head of "Sundry

Sources of Revenue."

Nos 35 & 36.