M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2069 Press
~~Mis.~~

46-14

Dated 7—11— 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 7th November 1860.

No. 110. Read the following Proceedings of the Board of Revenue, dated 25th October 1860, No. 4,919 :—

Read the following Telegram from the Collector of Ganjam, dated 19th October 1860, submitting for the orders of Government the Board's views on certain important points connected with the Income tax, and on which instructions were asked by the Collector of Ganjam.

(In Cons., 25th October 1860, No. 5,419.)

1. The Board are of opinion that a Ryot in the circumstances stated by the Collector of Ganjam is liable to Income tax on his whole income of Rupees 200.

2. The proprietors or holders of Ryotwary lands come under Rule I, Section 1, and as their profits are calculated at one-third of their assessment, all who pay less than Rupees 600 assessment, escape the tax inasmuch as their income is under Rupees 200, the minimum* to be taxed under this Act. The Wurgdars of Canara, the Jemnakars of Malabar, and the Puttadars of other Districts, when non-resident, or not actually engaged in cultivation, come under this rule and escape the tax, if the assessment they pay or are responsible for is under Rupees 600. But these persons enjoy no *exemption* from the tax: the only concession or peculiarity in their case is that instead of being required to make returns of their actual profits from such land, these are assumed by Government generally at one-third of their assessment unless they object to this assumption in which case they must make returns like others of their actual profits. It follows, therefore, that if they possess other income, which with the profits of their land, calculated as allowed, brings their total income up to 200 Rupees, they may on the *whole* and not merely on the portion derived from other sources than their land.

* *Section* 116.

3. Section 130 again refers to Ryots and tenants actually engaged in the cultivation of the land they occupy, and these persons are exempt if their assessment or rent is under Rupees 600, which by the mode of calculation allowed in Rule I, Section 1, represents an income of Rupees 200. This Section evidently includes Ryotwary Pattadars engaged in cultivation and all tenants of land, as it expressly mentions "rent" and their occupation as being "under direct "engagement with Government or not." The words in Section 130 "in respect *only* of their occupation" certainly give a color to the opinion that such occupation is exempt within the stated limits, but the same words occur in the following Section (131) regarding houses occupied for habitation only and have been declared by the Supreme Government to mean only that the *property* in, as distinct from the occupation of, the house is not chargeable against the occupant. The limit of Rupees 600, representing an income of Rupees 200, is also significant of the intention of the Legislature.

Vide from Government, 14th September 1860, No. 1,604, R. D.

4. These, however, are questions of great importance, and the Board, therefore, resolve to submit their views for the confirmation or otherwise of Government.

(A true Extract.)

(Signed) J. D. SIM, *Secretary.*

Ordered that the following letter be despatched.

No. 111 From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, in the Financial Department, dated 7th November 1860, No. 2,069.

SIR,

1. Section 130 of Act XXXII of 1860 enacts that Ryots shall not be assessed to the Income tax in respect only of land in their occupation, unless the rent of such land shall amount to at least 600 Rupees a year; this rent of 600 Rupees, being taken under Rule I in Section 97, to represent a profit of 200 Rupees.

2. The question has been raised here whether a Ryot's income below 200 Rupees a year is absolutely exempt, or only exempt when the Ryot has not profits from other sources, either rent-free land, trade, pension, or other, raising the total of his profits to 200 Rupees a year; whether, for example, a man in the receipt of a pension of 100 Rupees a year, and holding land on Ryot tenure with a rent of 100 Rupees a year, is liable to Income tax.

3. I am directed to solicit the decision of the Government of India on this case, which is likely to be of frequent occurrence in this Presidency.

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of Rupees 600 - representing an income of Rs. 200 is also significant of the intention of the Legislature -

4 - These however are questions of great importance and the Board therefore resolve to submit their views for the confirmation or otherwise of Government -

(A true Extract.)

Secretary -

To,
J. D. Bourdillon, Esqre.
Secretary to Government
Revenue Department -

Parmentrauze

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Proceedings of the Board of Revenue dated 25th October 1860 Recd 26th Do: Submitting for the orders of Government the Board's views on certain important points connected with the Income Tax and on which instructions were asked by the Collector of Ganjam.

No 4919.

Read

Ordered that the Proceedings be submitted to the Government of India in the Secretary's Department.

Sir,

I have the honor to submit for the orders of the Government of India the accompanying Proceedings of the Board of Revenue dated 25th October 1860 on certain points connected with the Income Tax on which instructions were asked by the Collector of Ganjam.

2. The Board's views on the several points submitted by the Collector of Ganjam are fully explained in the Proceedings now forwarded, and I am directed to request that the Board may be favored with the early orders of the Government of India on the subject.

I have &c

(Signed) [illegible]

Secretary to the Govt of Madras

To

The Secretary to the Govt of India

in the Financial Dept

No 110.

Rec'd 27 October Rd 13 Nov

Fort St George Public Department

Under date the 14th September 1860 &c

243 244.

Referred to the Board of Revenue for report and return.

By order &c

(Signed) [illegible]

Chief Secretary to Govt

---

10 Rev 1860 Departt
Pro: of Govt for 27 Oct
No 2391.

Proceedings of the Board of Revenue

Dated 25th October 1860
Desp: Rec: 26.

No 4919.

81 Returned

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Secretary to the Govt of Madras

To

The Secretary to the Govt of India

in the Financial Dept

has not profits from other
sources, either rent-free
land tradе, pension, or
other, raising the total
of his profits to 240
Rs a year; whether, for
example, a man in the
receipt of a pension of
[illegible] Rs a year, and hold-
ing land on Ryotwary
with a rent of 100 Rs
a year, is liable to
income tax.

3 I am directed to
solicit the decision of the
Government of India on
this case, which is likely
to be of frequent occurrence
in this Presidency.

Fort St. Geo:y Nov:r 1860.

The Government
to
12 Copies to Bg of Rev
Dis:s 8

communicate the paper of
instructions drawn up
by the Lieut. Gov:r of
the North West Pro-
vinces, and communicated
for information with
a letter to the Home Dep:t
dated 12 October,
No 2288, but they find
two paragraphs on the
subject which seem
contradictory. In Para
45 it is clearly stated
that no farmer pays
to Government less than
600 Rupees a year as
land revenue shall be
chargeable with duty
in respect of the profits
arising from the land
in his possession. Here
the exemption is absolute.
But in Para 48, it is
declared that if the
annual receipts of any
holder of land from
land and other sources
combined, amount to
Rupees 200, he will be
chargeable to the duties

14th Sept 1860 No 243 Revenue 1860 Deptt.
Pro: of Govt for Nov.
No 2069.

To Government of India
Tax on a Ryot's Income

To the Secretary to the
Govt of India.
Dated 7th November 1860.

From the Secy to the Govt of India
Dated 21st November 1860 No 2886
in Orig 5th Jany 1861 No 24.

Soliciting their decision
on a question relating to
Tax on Ryots' Income.

Nos 110 & 111.

49-7