M.R.O. 14—10,000—21-4-32.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2094-95 Press ~~Mis.~~

159-160

Dated 9-11 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 9th November 1860.

No. 159. Read the following letter from W. BALMAIN, Esq., Officiating Civil Auditor, to T. PYCROFT, Esq., Chief Secretary to Government, dated 1st November 1860, No. 130 :—

SIR,

1. I have the honor to inquire whether under the Proceedings of the Government of India, No. 87 of October 11th, I am only to assess Income Tax on persons in (or as it probably means "were") Government employ. Under this interpretation the only Pensions to be assessed in the Audit Office will be Superannuation Pensions and perhaps Charitable Pensions granted to the relations of servants on account of their service under Government. It will, I think, obviate mistakes if Government were to issue instructions to Treasury Officers requiring them to assess all Pensions except Superannuation.

2. I beg also to draw the attention of Government to the instructions (No. 5) of the Government of India, No. 9,242, of September 14th, and to observe that if the Civil Auditor is not the Assessor of Pensions I do not see how he can alter or check the deductions made by the disbursing Officer. Who is the Assessor ?

P. S.—I presume also that the Bills for Pensions (other than Superannuation) should be passed in full without deductions on account of Income Tax. If the Civil Auditor is not to check or alter the assessment he should not in any way notice it in his Audit.

No. 160. ORDER THEREON, 9th November 1860, No. 2,094.

1. In this letter the Civil Auditor applies for the decision of Government on two questions arising out of recent rulings of the Supreme Government regarding Act XXXII of 1860.

2. The Governor General has ruled (Proceedings, Financial Department, 11th October 1860, No. 87) that the Civil Auditor acting under Section 27 of the Act, has no concern with any but salaries and allowances paid to servants of the State, i. e. that grants to private Institutions, Political Stipends, Pensions payable to persons not in Government employment, and such like, should be assessed by the proper Officers under Section 26. Under these instructions, Mr. Balmain thinks, that the only Pensions to be assessed in the Audit Office, will be Superannuation Pensions, and perhaps those granted to the relations of servants on account of their service under Government, and proposes that, to obviate mistakes, Treasury Officers should be instructed to assess all Pensions except Superannuation Pensions.

3. On a former occasion, and in answer to a query of Mr. Balmain's the Supreme Government directed* that it was the business of the Auditor to check the sums deducted from Pensions, by the Collectors and others, on account of the Income Tax ; the disbursing Officer being held responsible for any sums not duly levied under the law. Looking at the subject in the light of the ruling referred to in the previous paragraph, Mr. Balmain now asks how, while he is not the Assessor of Pensions, he can alter or check such deductions ; and if he is not so to check them whether he should not leave the assessment unnoticed altogether, and pass the bill in full without deductions.

* *Recorded in G. O. 11th October* 1860, *No.* 1,842, *Revenue Department.*

4. With regard to the first question, the Governor in Council considers that it is not clear from the order of the Government of India, whether Superannuation Pensions do or do not come within the meaning of the term "Pensions payable to persons not in Government employ-"ment" which are exempted from the Civil Auditor's control. A reference will be made to Calcutta on the subject.

5. As to the second query, there appears no reason why the Civil Auditor should not continue to exercise the check over the different Collectors, as already directed by the Government of India ; and if such check is carried out, it will be just as easy to pass the bill for the amount minus deductions, as to pass it intact.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

Proceedings of the Madras Government, Revenue Department, 9th November 1860.

Ordered that the following letter be despatched.

No. 161. 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 9th November 1860, No. 2,095.

SIR,

1. I am directed by the Honorable the Governor in Council to submit for the decision of the Government of India, a doubt which has occurred as to the meaning of the "Pensions payable to persons not in Government employment" referred to by the Advocate General in the penultimate paragraph of the Resolution of the Supreme Government dated 11th October 1860 No. 87, Financial Department.

2. The Civil Auditor at Madras supposes that he is authorized by that Resolution to assess Income tax on Pensions to persons, who *have been* in Government employ, and proposes that Treasury Officers should be directed to assess all Pensions except superannuation.

3. This Government hesitate to take such a liberty with the Advocate General's language; but taken in its literal sense it would include scarcely any pensions at all. I am directed therefore to ask whether Superannuation Pensions are to be assessed under Sections 27 or 26 of Act XXXII of 1860.

Revue Dépt.

No. 2094.

Proceedings of the Madras Government

Under date the 9th November 1860

Read the following letter

from the Officiating Civil

Auditor

With reference to the

Proceedings of the Govt. of India

No. 87 of October 18th enquires whether he is only to assess income tax on persons in (or as it probably means more) Govt. employ.

(November 1st to Govt. 1860 No. 130)

1. In this letter the Civil Auditor applies for the decision of Government on two questions arising out of recent rulings of the Supreme Government regarding the Act XXXII of 1860.

2. The Governor General has ruled (Proceedings Financial Dept. 11th Oct. 1860 No. 87) that the Civil Auditor acting under Section XXVII of the Act, has no concern with any but

Salaries

salaries and allowances paid to servants of the State, nor that grants to Private Institutions, Political Stipends, pensions payable to persons not in Government employment, and such like, should be assessed by the proper Officers under section XXIII. Under these instructions, Mr Balmain thinks, that the only pensions to be assessed in the Audit office, will be superannuation pensions, and perhaps those granted to the relations of servants on account of their service under Govt, and proposes that, to obviate mistakes, Treasury officers should be instructed to assess all pensions except superannuation pensions.

3. On a former occasion, and in answer to a query of Mr Balmain's the Supreme Govt Local directed that it was the business of the Auditor to check the sums deducted from Pensions, by the Collectors and others,

Recorded in G.O. 11th Oct 46 No 1842. R.D.

others, on account of the Income Tax; the disbursing Officer being held responsible for any sums not duly levied under the law. Looking at the subject in the light of the ruling referred to in the previous paragraph, Mr Balmain now asks how, while he is not the Assessor of pensions, he can alter or check such deductions, and if he is not so to check them whether he should not leave the Assessment unnoticed altogether, and pass the bill in full without deductions.

4. With regard to the first question, the Governor in Council considers that it is not clear from the order of the Govt of India, whether superannuation Pensions do or do not come within the meaning of the term Pensions payable to persons not in Govt employment which are exempted from the Civil Auditors control. A reference will be made to Calcutta on the subject.

as

5. As to the second query there appears no reason why the Civil Auditor should not continue to exercise the check over the different Collectors, as already directed by the Govt. of India; and if such check is carried out, it will be just as easy to pass the bill for the amount minus deductions, as to pass it in fact.

Regarding Income Tax on Pensions

3 Copies to the Civil Auditor. Dft 4
12 — Pt. Income Tax Circs
12 — Bds of Rev
2 — Sub Treasurers

Rev. Deptt.

No. 2095.

The Secretary to the Govt. of India Financial Dept

Sir,

1. I am directed by the Honorable the Governor in Council to submit for the decision of the Government of India, a doubt which has occurred as to the meaning of the "Pensions payable to persons not in Govt employment" referred to by the Advocate General in the penultimate paragraph of the Resolution of the Supreme Government dated 11 October 1860 No. 89, Financial Department.

2. The Civil Auditor at Madras supposes that he

he is authorized by that Reso-
lution to assess income tax on
Pensions to persons, who have been
in Govt. employ, and proposes
that Treasury officers should
be directed to assess all pensions
except superannuation.

3. This Govt hesitate to take
such a liberty with the Advo-
cate Generals language; but taken
in its literal sense it would include
scarcely any pensions at
all.

I am directed therefore
to ask whether superannuation
Pensions are to be assessed
under section XXIII or XXII of the Act
XXXII of 1860.

Clerk

Fort St. Geo: 9th Nov: 1860.

Revenue 1860 Dept.
Pro: of Govt for Nov.

No 2094.

Pro: of the Madras Govt
Dy 9th Novr 160.

From Govt of India Dy 23d Novr 60
C. No 2884.

On certain questions
arising out of recent rul-
ings of Supreme Govt
regarding the Income Tax
act.

No 159 & 160.