M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2119 Press ~~Mis.~~

206-207

Dated 12 — 11 — 1860.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 12th November 1860.

No. 206. 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, Fort Saint George, dated 8th November 1860, No. 5,175 :—

SIR,

In Consultation 7th November 1860, *No.* 5,725.

1. With reference to the order of Government dated 5th November 1860, No. 2,046, forwarding the revised Income tax forms, I am directed to point out that no declaration is appended to the new "General Statement "of aggregate profits." The Board have ordered the declaration, form No. 8, to be subjoined to the copies now being printed for the use of Collectors.

2. The Board do not concur in the remarks of the Revision Committee in paragraph 19 of their report, and deem it essential that the deductions claimed as allowable under the Act should be specified in the returns. Parties making returns, are doubtless sure for their own sake to make all lawful deductions but they may also make others that are *not* lawful, and it will be utterly impossible for the Assessors to detect frauds of this nature. Nor do the Board see what objection can possibly be made to an enumeration of deductions claimed which does not tell with far greater force against a return of income and profits or what there is necessarily or peculiarly liable to misapprehension in the demand for such enumeration. They are satisfied that if parties are left to make what deductions they please under the color of bad debts, &c., the Tax will be largely evaded, and they submit that it is far better that parties should be required to set forth the abatements they claim than be exposed to frequent surcharges by the Assessors in consequence of defective information on these important particulars.

3. With reference to paragraphs 20 and 21, the Board suggest that the third case should be included in the heading of the 5th case, to obviate the anomaly of the returns not providing for all the cases set forth in the Act itself.

Ordered that the following letter be despatched.

No. 207. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, dated 12th November 1860, No. 2,119.

SIR,

Dated 8th November 1860, *No.* 5,175.

1. With reference to the Resolution of the Right Honorable the Governor General of India in Council, dated 20th October 1860, No. 2,390, Home Department, I am directed to transmit the accompanying letter* from the Board of Revenue at Madras.

2. This Government consider the objections to the revised forms, detailed in paragraph 2 thereof, to be cogent, and worthy of the attention of the Supreme Government. The Government cannot but share the apprehensions of the Board, that if deductions are allowed to be made, without being specified in the return a very wide door will be opened to fraud and evasion.

3. The subjects treated of in paragraphs 1 and 3 are merely matters of detail, and need not have been referred for orders. I am to mention, however, that if the "General Statement "of aggregate profits" comes into use, it will render nugatory, to a considerable extent, any efforts of Government to distinguish between the property assessed under Schedules 1 and 2. The preparation of statistical details, if such are in contemplation, will be all the more difficult, and their value diminished by the same cause: while the advantages expected from this additional form may be as easily attained in an indirect way by allowing the individuals whom it would affect to state approximately their income under each head.

4. The word "Clerks" in the heading to the new form No. 11, seems to be superfluous and likely to mislead.

5. I am to add in conclusion that in making the foregoing remarks, this Government do not by any means wish it to be understood that they consider the original forms to be without fault; they think, on the contrary, that greater simplicity could well be introduced. But they consider that there ought to be a stronger reason for throwing away all checks on a return of income, than a possible misapprehension by an individual or a community of forms which are allowed to require only a careful perusal.

R. D.

No 2119

Recd 13 Dec 1860

To The Secretary to the
Govt of India

Sir,

With reference to the Resolution of the H. the Gov. Gen. of India in Council, dated 20 October 1860. No 2390. Home dept; I am directed ~~by the Hon'ble the Court~~ to transmit the accompanying letter from the Board of Revenue at Madras, and to state that the Govt consider the objections to the revised forms, detailed in paragraph 2 thereof, to be cogent, and worthy of the attention of the Supreme Govt.

2.

3. The subjects treated of in paras 1 and 2 are merely matters of detail, and

The Government cannot but share the apprehensions of the Board, that if deductions are allowed to be made, without being specified in the returns a very wide door will be opened to fraud and evasion.

Dated 8 Nov. 1860.
No 5175

4. The word "Clerks" in the heading to the new Form No. 11, seems to be superfluous & likely to mislead.

5. I am to add in conclusion that in making the foregoing remarks, this Govt do not by any means wish it to be understood that they consider the original Forms to be without faults; they think, on the contrary, that greater simplicity could well be introduced. But they consider that there ought to be a stronger reason for throwing away all checks on a return than a possible misapprehension by an individual or a community of forms allowed are required only a careful perusal.

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Part 1860 & 1872

Sept

Revenue & Agric. Dept.
No. of Ltr. from Govt.
No. 2119.

To the Secretary to the
Govt. of India.
Dept. of Revenue &c.

Dated Ootacamund 1860

Rec'd Sept 16th 1872
No. 2102 (3 Ex.)

Transm. Copy of Ltr. from Govt. of Madras
dated 15th August 1872 No. 2917
Proceedings &c. Letter
forwarding a Letter
from the Board of Revenue
making certain observa-
tions on the proposed
Income Tax Forms.

Letter to Govt of India
on the revised forms
for Income Tax

Steel

Read thro' by the Secretary