M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 277 Press Mis.

320-321

Dated 09-11-1860.

Not to be folded or roughly handled

No. 320. Read the following letter from W. BALMAIN, Esq., Officiating Civil Auditor, to T. PYCROFT, Esq., Chief Secretary to Government, dated Fort Saint George, 2nd November 1860, No. 1,271 :—

SIR,

1. As required by the Order of Government No. 2,023 of November 1st, I have the honor to report as follows on the case submitted by the Reverend J. Richards.

2. Double Income Tax has certainly been paid on that part of the advance drawn by Mr. Richards in England and retrenched here. The real question at issue is whether that gentleman is entitled to a refund of the excess Income Tax paid in England. This Mr. Richards himself states in paragraph 3, when he speaks of English Income Tax over paid. The gross salary passed to Mr. Richards after his return to India, is clearly liable to tax, while that part of the advance overdrawn at home was in the nature of a loan, and formed no part of his income. It had to be repaid afterwards from salary (real income) earned. The question however of refund of English Income Tax was disposed of by the Orders of Government No. 362 of August 1st, 1856 ; it was laid down that an Officer had no claim against the East India Company for a refund of Income Tax overpaid in England.

3. If the refund of Income Tax is claimable for the part of the advance retrenched after arrival, it should also be claimed for the period of the voyage out. The English Income Tax is not due any more in one case than in the other.

4. Before the imposition of the Income Tax in India, Officers were always retrenched the gross amount of advances received at home. The statement made in paragraph 4 of the letter, that the tax is only paid on "pay actually drawn from the Treasury" is not borne out by any part of the Act, and is evidently inapplicable to ordinary cases of retrenchments on account of advances.

5. Whether the levy of double Income Tax is just or otherwise is not a matter for me to give an opinion on, but I hope that the Order of Government above quoted and the explanation given, will exonerate an Executive Officer from the various imputations "unjustly and illegally, "wrongful and palpably illegal," &c., &.

No. 321. ORDER THEREON, 19th November 1860, No. 2,177.

This letter will be communicated to the Reverend Mr. Richards, in reply to his letter of the 19th October No. 33 ; with the intimation that Mr. Balmain's exposition of the law on the subject is undoubtedly correct. English Income Tax overpaid must be recovered in England, and cannot be refunded by the Government of India.

(Signed) J. D. SIM,

Acting Secretary to Government.

Bengal Nov. 1860. No 2013
21 22

(5)

Rec. 18th Department
From
The Offg. Secretary Audit

To
The Chief Secretary to
Government

Dated 2nd November 1860
Recd. 3rd
No. 1271
No.

Reports on the Revd. Mr.
Richard's letter complaining of
being levied with double income
tax

No. 2177. 19th November
With an order

Rec. 5th August 1856 Nos 8-9.

No. 320 & 321.

No. 2177

This letter will be communicated
to the Reverend Mr Richards, in reply to
his letter of the 19th October No 33, with the
intimation that Mr Palmer's Exposition
of the law on the subject is undoubtedly co
rect. English Income Tax once paid must be
recovered in England, and cannot be refunded by the
Government of India.

2 Mr Richards evidently writes
his letter without having been at the pains
to inform himself as to the real merits of the
case, and the Government regret that he
has permitted himself to indulge in expressions
neither warranted by the facts nor
with the ordinary courtesy of official
correspondence.

Fort St. Geo
19 Nov. 1860

1 Copy to Mr Revd. Richards Dispt. 20
3 " " Genl Auditor
13 " President of the Income Tax Comrs
3 " Special Comrs of Do Do
12 " Boards of Revenue.

Gen. Nov. 19th 1860