M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1128 — Press / ~~Mis.~~

3 - 4

Dated 1 . 6 . 1861 .

Not to be folded or roughly handled

No. 3. Read the following letter from R. P. HARRISON, Esq., Accountant General, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 26th April 1861, No. 485 :—

SIR,

With reference to the reply* of the Government of India to the Despatch from this Government, No. 547, dated 9th March 1861, a copy of which has been communicated to this Office and to the Summary of Constructions, No. 67, published in the Calcutta Gazette, I have the honor to submit the following points for the consideration and Orders of Government, and request I may be informed if I have correctly understood the constructions and orders referred to.

* No. 3,776, dated 4th April 1861.

First.—With exception of the Military and Medical Funds, which are declared to be subject to the Tax (*vide* paragraph 2 of letter No. 3,776, from Government of India), I understand that the several Funds enumerated in the Statement which accompanied your letter to the Financial Secretary are to be exempt.

Second.—The Madras Civil Service Annuity Fund will, I conclude, be subject to the Tax ; the Civil Fund Charity Branch only, appearing to be exempt according to the Summary.

Third.—Are the superannuation Pension Funds of the Metropolitan and Mofussil Police (which are not shown in the Statement above alluded to, although they were exempted by Order of this Government, No. 1,760, dated 2nd October 1860), to be brought under the operation of the Act ?

No. 4. ORDER THEREON, 1st June 1861, No. 1,128.

1. The Accountant General requests the Orders of Government on three questions relating to the Income Tax.

2. (1.) The Government do not see where the difficulty lies. The Supreme Government's letter of 4th April* last, states clearly that with the exception of the Military, Medical and Apothecaries' Funds, the exemptions granted by the Madras Government, as shown in their letter of 9th March, No. 547, were approved.

* No. 3,776.

(2.) The second query is answered in the affirmative.

(3.) It is true that exemption from Income Tax was accorded to the Pension Funds of the Metropolitan and Mofussil Police, by the Order of 2nd October 1860, No. 1,760. A subsequent Order† however directed the suspension of any decision on these two Funds until the receipt of a reply to a reference made to Calcutta, regarding other funds. For this reason they were not entered in the statement which accompanied the letter of this Government to Calcutta, dated 9th March 1861, No. 547.

† 17th November 1860, No. 2,171.

3. The reference to Calcutta alluded to above resulted in the exemption‡ of certain Funds of a charitable nature, viz., Civil Fund Charity Branch, Mount Cantonment Soldiers and Widows' Fund : and Madras Widows and Orphans' Fund. No further orders were however passed regarding the two Funds now in question.

‡ See Madras G. O., 1st December 1860, No. 2,286. 7th December 1860, No. 2,331, Revenue Department.

4. The principle laid down in the Financial order of the Government of India, No. 3,213,§ dated 16th March 1861 (to the summary of which Mr. Harrison refers), is that Funds cannot be exempted unless as "Religious" or "Charitable." The two Funds under consideration are of the nature of Family Funds which, it is stated, do not fall within the latter denomination, and the Governor in Council is therefore of opinion that they are liable to Income Tax.

§ Recorded in Madras G. O., 13th April 1861, No. 827.

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

Revenue Dept.

No. 1128.

Proceedings of the Madras Government

Under date the 1st June 1861

Read the following

letter from the Accountant

General.

...its for the orders of
...ent certain points
... with the exemption
...ise of certain Funds (Here enter 26th April 1861 No 485)
...ome Tax.

The Accountant

General requests the orders

of Government on three

questions relating to the

Income Tax.

2 (1) The Government

do not see where the difficulty

lies. The Supreme Govts

letter of 4th April last states

clearly

Rec'd 1861
Rev. & Agri. Dept.
No. 1024

From
The Accountant General
To
The Secretary to Govt
Revenue Department
Dated 26th April 1861
Rec'd 27th do

No 485.

Submits for the orders
of Government certain points
connected with the exemption
or otherwise of certain Funds
from Income Tax.

Ans. d.

Rec'd 1861
Rev. & Agri. Dept.
No. 1128

Q 1532 Rep. 8/9.

Rec'd 1861
Rev. & Agri. Dept.
No. 1128-1st June.

No 5776

clearly that with the exception of the Military, Medical and Apothecaries Funds, the exemptions granted by the Madras Govt as shewn in their letter of 9th March No 547, were approved.

12/ The second query is answered in the affirmative.

13/ It is true that exemption from Income Tax was accorded to the Pension Funds of the Metropolitan & Mofussil Police by the order of 2nd October 1860 No 1760. A subsequent order* however directed the suspension of any decision on these two funds until the receipt

* 17th Novr/60 No 2171

of a reply to a reference made to Calcutta, regarding other funds. For this reason they were not entered in the Statement which accompanied the letter of this Govt to Calcutta dated 9th March 1861 No 547.

The reference to Calcutta alluded to above

* See Madras G.O. / Dec/60. No. 2286. 7 Dec/60. No. 2331. R.D-

resulted in the exemption of certain Funds of a charitable nature, viz^t Civil Fund Charity Branch: Mount Cantonment Soldiers and Widows' Fund: and Madras Widows and Orphans' Fund. No further orders were however passed regarding the two funds now

now in question.

The principle laid down in the Financial order of the Govt of India No 3213 dated 16th March 1861 (to the summary of which Mr Harrison refers) is that Funds cannot be exempted unless as "Religious" or "Charitable". — The two Funds under consideration are of the nature of Family Funds which, it is stated, do not fall within the latter denomination, and the Governor in Council is therefore of opinion that they are liable to Income Tax.

CJW

IBS

Col H. P. Bell

* Recorded in draw
G.O. 13th April 1861 No 827.

To Chief Secretary to Govt
Dis[illegible] 3.

(3)

Certain points connect-
-ed with the Income
Tax Act.

Pensions 1891 Report.
Prof. Hearn's for Income
Tax Act 1728

Prof. Mc Mahon Govt.
Statistician 1891.

Requisites to be
observed with an eye
towards an Exemption of the Policies
of Life Assurance Companies
Policies Reports during
certain periods in connec-
tion with Income Tax
with reference thereto.

No 2444.

C 18 Hum R 30