M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1592 Press —Mis.—

126–127

Dated 9. 8. 1861.

Not to be folded or roughly handled

No. 126. Read the following letter from J. MAYER, Esq, Secretary Medical Fund, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 17th June 1861, No. 271 :—

SIR,

I am directed by the Trustees of the Madras Medical Fund to request you will have the goodness to submit to Government, the following exposition of the effects that will of necessity result from the mode of deduction of Income Tax, announced as about to be enforced by the Accountant General, that, viz., of deducting 4 per cent. from the interest paid on all the Bonds belonging to the Fund. These Bonds to the extent marginally given being the property of the Charity Branch, the interest of which is annually required to meet the liabilities of the Fund on account of its absolute Pensioners, *i. e.*, the wives and children of deceased subscribers whose pensions vary from £20 to £200. The calculations of the Actuaries employed by the Fund proceed wholly on the understanding that 8 per cent. will be granted to the Fund by Government. If therefore the annual subscriptions of living subscribers are to be thus taxed as well as the interest on the accumulations that have arisen from the contributions of all deceased subscribers, the law is made to have an *ex-post facto* operation, and the Fund will not be able to meet its engagements with the absolute Pensioners. In other words, in order that the absolute Pensioners may continue to receive the rates of allowance which they have hitherto received, and which the securers of the pensions were led to believe they had paid for, the subscribers living at the present date will not only have to pay 4 per cent. on their own subscriptions, but will be obliged in addition to make up the deficit to the wives and children of deceased subscribers. The only alternative is to break faith with the Pensioners, which the Trustees feel sure the Government could not intend them to do. They also trust that the Government will not require them to pay a double* tax which will again be levied in England on the incomes of all the Pensioners who reside there. The Trustees under these circumstances respectfully beg that all the property of the Charity Branch of the Fund be relieved from the operation of this tax, which they are credibly informed has been already done in the case of the Civil Fund. They further submit that even with this exemption the tax will bear with peculiar hardship on the subscribers to the Medical Fund, as on an application to have their retiring pensions put upon a par with those of the Military Officers, the Home Government stated that the allowance of 8 per cent. to our Funds was equivalent to the difference. They finally beg to bring to notice that if the exemption now sought, be granted, they will still have to pay 4 per cent. on the accumulations of the Annuity branch of the Fund, *i. e.*, on about half of their funded property as well as on *bonâ fide* income from annual subscriptions.

The Capital of the Charity Branch on 1st May 1860 was Rupees 30,52,478. The following Bonds are nearly equivalent to the above sum and therefore may be regarded as the property belonging to the Charity Branch :—

One	Bond No.	24,520	for	Rupees	7,00,000
,,	,,	,, 44,309	,, ...	,,	7,00,000
,,	,,	,, 44,310	,, ...	,,	12,00,000
,,	,,	,, 70,511	,, ...	,,	5,00,000
			Company's Rupees...		31,00,000

* *i. e.* on their own subscribtions as well as on the subscriptions of those who are dead.

No. 127. ORDER THEREON, 9th August 1861, No. 1,592.

Referred for the opinion of the Accountant General.

(Signed) J. D. SIM,

Secretary to Government.

The Trustees under these circumstances respectfully beg that all the property of the Charity Branch of the Fund be relieved from the operation of this Tax which they are credibly informed has been already done in the Case of the Civil Funds. They further submit that even with this exemption the tax will bear with peculiar hardship on the Subscribers to the Medical Fund as on an application to have their retiring pensions put upon a par with those of the Military Officers of the Home Government Stated that the allowance of 8 per Cent to our Funds was equivalent to the difference. They finally beg to bring to notice that if the exemption now sought, be granted, they will still have to pay 4 per Cent on the Accumulations of the Annuity Branch of the Fund, as on about half of their funded property as well as on bona fide Income from Annual Subscriptions.

I have the honor to be
Sir
Your Most Obedient Servant

Dat. St. George
17th June 1861

Secretary Medical Fund

Recd 1861 Sept 6.
Pro: H. Govt for August
No 1440

From
The Secy to the
Medical Fund

Date 17th June 1861
Recd 18th " No 271

Enclosure

From the Accountant General
Civ. Dep. 15 & Com 200 Pro Rec.
in Jan. 11. Sept. 1861

Requesting that all the
property of the Charity
branch of the Medical
Fund may be release
from the operation of
the Income Tax.

No 1592. 9 Aug.
With an order

No 1592.

Referred for the opinion
of the Accountant General

Lord H. Geo
9th Sept 1861

3 Copies
To the Accountant Genl Civ. Dep. 10

No 1264 127.

Cs Augt 26th