M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1890	Press ~~Mis.~~
146-147.	
Dated 13-9-1861.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 13th September 1861.

No. 146. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Chepauk, 3rd September 1861, No. 4,766 :—

SIR,

1. With reference to the Government Proceedings of 8th ultimo, No. 1,584, Revenue Department, I am directed by the Board of Revenue, to submit for the approval of Government, copy of a Circular letter of instructions which they propose to address to all Collectors on the subject of the Trades Tax, and which, in their opinion, renders any further rules unnecessary. The Board have assumed that the instructions received from the Supreme Government and communicated to them by Government, under date 27th September 1860, in Proceedings No. 1,726, Revenue Department, are still intended to stand, as the Act differs in no respect from the Draft Clauses realting to the Trades Tax.

2. They have only to request that under Sections III and IV of the Act all Covenanted, Revenue Officers and Deputy Collectors may be declared competent to exercise the powers vested in Collectors by the Act.

No. 147. ORDER THEREON, 13th September 1861, No. 1,820.

1. The Government approve generally of the instructions which the Board propose to issue, excepting that part of paragraph 5 in which the Board direct that the principle of classifying the payers of the tax *chiefly* by locality shall be adopted. In the largest towns there are poor as well as rich shopkeepers, &c, and any attempt to levy the same tax from all persons who carry on the same Art, Trade or Dealing, because they carry it on in the same place, must either end in individual hardship or in loss of revenue. The payers should be divided into classes, according to their supposed gains, and to ascertain the amount of these gains both the extent of business and the locality should be considered. The Board of Revenue will be requested to alter their circular accordingly.

2. It would be well in paragraph 1 of the notification to add the Veesabuddy and House Tax of Tanjore, so that the notification may be generally applicable.

3. It should be explained that a shopkeeper selling several articles in the same shop is not liable to be taxed for the sale of each, and that the Act applies only to persons whose profits fall short of 200 Rupees, the Income Tax minimum.

4. With reference to paragraph 14 of the Board's Circular, the Government do not see occasion to grant commission for the collection of this Tax, except in special localities, such as Zamíndáris.

Vide Section III, Regulation VII of 1828, and Section III, Act VII of 1857.

5. It does not seem to the Government to be necessary specially to vest the Covenanted Subordinates of Collectors and the Deputy Collectors with powers under this Act, as they already can exercise the powers of Collectors within their divisions. If the Board still entertain any doubt on this point they will take the opinion of the Government Pleader, and communicate the result to Government.

(Signed) J. D. SIM,
Secretary to Government.

Circular

No.

From

W. Budleston Esq.
Secretary to the Board of Revenue

To

The Collector of

Sir,

I am directed by the Board of Revenue to call your attention to the provisions of Act 18 of 1861 for imposing a duty on Arts, Trades and Dealings and to furnish you with the following instructions for guidance in carrying it into effect.

2 You will observe that the Moturpha is altogether abolished by Sections I and XVII of the Act, but that the remaining provisions of the Act are not to continue in force beyond 1st August 1866.

3 The duty on Arts, Trades and Dealings is leviable from and after 1st August 1861 on every person or partnership exercising

exercising a lawful Art &c. for gain or profit, and who may not be already assessed to the Income tax.

4 The Collectors are authorized to exempt from the duty any person of whose inability to pay it they may be satisfied and to furnish each such person with a certificate of exemption.

5 All Ryots and Cultivators of land are as such Exempt from the duty, in respect of their cultivation and of the sale of the produce of their lands, provided they do not keep a shop or store for such sale. Three rates of duty are provided by the Act.

Rupees. 3
Rupees. 2 } Per annum.
Rupee - 1.

and individuals or partnerships will be assessed at one or other of these rates. But the determination of this point is to be decided not so much by the actual or estimated gains of the individual as by the nature of his trade, and of the locality in which it is carried on. These localities may be classed as Large Towns, Small Towns and Villages, and a rate assigned for each trade according as it is carried on in one or other of these. But it need not follow that as a matter of course three different rates should be assigned to each trade, or that the particular rate assigned for any locality should be so inflexibly maintained, as to allow of no alternative but payment at that rate or complete exemption from the Tax. The spirit of Section III undoubtedly admits of consideration being given to the circumstances of the individual where necessary and if the rate assigned for the locality be too high for the individual there is nothing to prevent his inclusion in a lower class. This will probably be found necessary almost solely in the case of handicraftsmen where the gains of the master worker and of the mere wright, Smith, or manual labourer must vary considerably in the same locality, tho' not even the larger amounts may be assessable to the Income Tax.

The

6 The annexed Schedule of Classified Trades may aid you in determining this part of the operation but it is of course open to modification according to your judgment and the particular circumstances of your District. provided only that the above principle be maintained.

7 So soon as you have come to your decision on this point, you will publish in your District Gazette a classified List of Trades with the several rates of duty to be charged on the persons following them. and a Talukwar list of all the places in which the higher rates will be assessed. Notifying at the same time that all localities not specified come under the lowest rate. This publication will in effect meet the requirements of Section III of the Act so far as concerns the determination of the class under which a person shall be assessed.

8 The further powers conveyed by this and the following Section must in the Board's opinion be extended to all your subordinates Covenanted and uncovenanted holding a separate charge and the Govt. will be requested to extend them accordingly.

9 If you have not already done so you will at once cause Lists to be prepared of the persons liable to the

tax in every town and village, distinguishing in each case the trade of the individual, the class under which he is assessed, (that is, 1st, 2d, or 3d class, according as he is to pay Rs 3, Rs 2, or Re 1.) and the amount of duty assessed on him. A second List should also be prepared of persons proposed to be exempted from the tax on the score of poverty.

10 These Lists can easily be prepared by the Curnums and Heads of villages, so far as the entries of the names and trades of the individuals are concerned. The class and amount of duty should be entered in the Taluk Cutcherry in accordance with the instructions which you will issue as above laid down. The Lists will be signed by the Tahsildar after Examination and countersigned by the Officer in whose revenue charge the Taluk may be included, and will be returned for publication in the Village Cutcherry. Copy will also be posted in the Taluk Cutcherry, and one copy will be filed

in

in the Huzzur Office of the division. Thus each List must be in triplicate. The assessment so made will receive final confirmation at the annual settlement by the Settlement Officer, in the same manner as the Motursha Jammabundy is now confirmed.

11 The Government have decided that the tax shall be collected half yearly, and in arrears, and the collection can be conducted through the ordinary machinery for the collection of land revenue.

12 You will observe that the person making the collection is required to keep an account which in fact will be a duplicate of the published lists of Assessment, with an additional column showing the payments made by each individual.

13 You will also make every Collector of the tax responsible for the delivery of a receipt to each payer; and for the foregoing purposes you will furnish to each Talukdar on ordinary paper blank printed forms of Lists for publication and for accounts, and of Receipts for distribution to the Cumums.

14 You will observe that the Act authorizes a Commission not exceeding 3 per cent on the amount collected, to the person collecting the duty and keeping the required accounts; and the Board will await your proposals for making use of this authority in the Government Talukes.

15 In the case of Zemindaris You may assume that the 3 per cent Commission is immediately available, as the Board are of opinion that in the case of villages in Zemindaris, the only course open to you for obtaining the Lists of traders in a reasonable time and a reliable form, will be to assign 1 per cent of the collections at once to the

the Currumes, reserving 2 per cent for the remuneration of the person who may eventually be employed to collect the tax in the particular locality.

16 You will observe that the duties chargeable under this Act can be realized on default of payment in the same way as arrears of Income Tax, and that any person failing to pay on demand the due instalment of the amount at which he is assessed, becomes liable to pay in addition a penalty equal to three times the amount of duty, and realisable in the same manner.

17 This provision of the Law should be prominently notified in the District Gazette.

You will also observe that all the penalties prescribed by Part XIX of the Income Tax Act for abuse of their powers by persons employed to collect the tax, for falsely pretending to be authorized to collect it, and for illegally resisting its collection, are made Equally applicable to the present tax, and can be similarly enforced.

18 Enclosed is a brief explanation of the provisions of the Law which you will publish in English and in the vernacular language of the District in

in each issue of your District Gazette for the next six weeks - and you will cause copies to be furnished to every Tahsildar for distribution and publication through out the Villages and Towns.

19 In conclusion the Board direct me to request that so soon as you have completed the arrangements for your District, you will furnish them with a brief report of your proceedings and with such Estimate as you may then be able to form of the probable proceeds of the Tax and of the number of persons assessed under each class.

I have the honor to be
Sir,
your most obedient servant.

Revenue Board Office
Chepauk,
5th September 1861.

Secretary

Notification.

*Note.
The Tanjore Collector will add "and House" and the Collectors of Bellary, Cuddapah and Kurnool will similarly add "and Visabadi" after the word "Moturpha" in the Draft Notification.

By Act 13 of 1861 the Moturpha Tax as hitherto levied is permanently abolished.

There will however be collected for 5 years commencing from 1st August 1861 to 1st August 1866 a tax from every person or partnership or family carrying on any lawful Art, Trade or Dealing for gain or profit and who does not already pay the Income Tax.

No Ryot will be liable to this Tax on account of his agriculture nor by reason of his selling the produce of his lands - unless he keeps a regular shop for such sale.

The Collector also is competent to exempt any person from the Tax of whose inability to pay it he is satisfied.

There will be 3 rates of tax.

Rupees 3 per annum for 1st Class Trades.
Rupees 2 per annum for 2d —— do ——
Rupee 1 per annum for 3d —— do ——

Each Trade will be classed at one or other of these rates according to its comparatively profitable character and to the locality, either a large town or a small town, or a Village in which it is carried on, but there will be no minute enquiry into the profits of individuals.

Thus as a general rule all persons in one capacity or branch of one trade in one place who do not pay Income tax, will pay the Trade tax at the same rate. but a higher rate will be paid in large towns where much business is carried on than in small towns or Villages.

Vide

Enclosure a letter from the Secretary to the Board of Revenue to the Collector of Tanjore No 2113/61 dated 27th September 1861 No 4403.

Nov 2113/61

Copy of Enclosure
Collr.

Lists shewing the several rates for each trade and the places in which the higher rates will be levied, will be published in the District Gazette and throughout the District. so that every man may at once be able to judge what he will have to pay.

Nominal Lists will also be published in the Village where each person carries on his trade.

The Tax will be levied in arrears at the end of each half year, and any person failing to pay on demand the instalment due by him will become liable to a penalty of three times the amount of the Tax—

The Tax will be collected in the same manner as the Land Revenue and every person will be entitled to receive a receipt for the amount paid by him.

Secretary

Rates 1820

Rec'd 21/3/20

Trade	1st Class	2nd Class	3rd Class	Remarks.
Iron founders	3	3	3	
Glass makers	3	3	3	
Paper makers	3	3	3	
Manufacturers of Indigo	3	3	3	
do do Sugar	3	3	3	
do do Saltpetre	3	3	3	
Gold and Silver Lace makers	3	3	3	
Opium dealers	3	3	3	
Brazyers	3	3	2	
Oil mongers	3	3	2	
Money changers	3	3	2	
Silk weavers	3	3	2	
Druggists	3	3	2	
Confectioners	3	3	2	
Goldsmiths	3	2	2	
Grain merchants	3	2	2	
Wood merchants	3	2	2	
Tanners	3	2	2	
Carpet makers	3	2	2	
Dyers	3	2	2	
Workers in horn Ivory and Sandal	3	2	2	

Trade	Large Towns	Small Towns	Villages	Remarks
Jewel merchants	3	2	2	
Lapidaries	3	2	2	
Coppersmiths	3	2	2	
Coral merchants	3	2	2	
Coach and Cart builders	3	2	2	
Butchers	3	2	1	
General dealers	3	2	1	
Boat owners	3	2	1	
Tailors	3	2	1	
Painters	3	1	1	
Saddlers	3	1	1	
Cloth merchants	3	1	1	
Mat makers	3	1	1	
Booksellers	3	1	1	
Keepers of hack carriages and animals	3	1	1	
Bakers	2	2	1	
Cloth or Calico printers	2	2	1	
Shell lime burners	2	2	1	
Glaziers	2	2	1	
Cotton dealers	2	2	1	
Cattle dealers	2	2	1	
Bird sellers	2	1	1	
Carpenters	2	1	1	
Ironsmiths	2	1	1	

Trade	Large Towns	Small Towns	Villages	Remarks
Barbers	2	1	1	
Masons	2	1	1	
Bricklayers	2	1	1	
Sawyers	2	1	1	
Perfumers	2	1	1	
Stone cutters	2	1	1	
Shoe sellers	2	1	1	
Bangle sellers	2	1	1	
Varnishers	2	1	1	
Cutlers	2	1	1	
Turners	2	1	1	
Fishermen & mongers	2	1	1	
Washermen & Ironmen	2	1	1	
Rope makers	2	1	1	
Jag ——do	2	1	1	
Wheelwrights	2	1	1	
Printers	2	1	1	
Tin workers	2	1	1	
Pallan-do	2	1	1	
Porcelain	2	1	1	
Salt retail dealers	1	1	1	
Steel makers	1	1	1	
Cotton sellers	1	1	1	

Trade	Large Towns	Small Towns	Villages	Remarks
Weavers	/	/	/	
Chuckles	/	/	/	
Potters	/	/	/	
Basket makers	/	/	/	
Keepers of carts	/	/	/	
Stone lime burners	/	/	/	
Charcoal burners	/	/	/	
Embroiderers	/	/	/	
Glaziers	/	/	/	
Peruuke makers	/	/	/	
Vegetable dealers	/	/	/	
Gunny weavers	/	/	/	
Brick and tile makers	/	/	/	
Flower sellers	/	/	/	
Fruit sellers	/	/	/	
Milk sellers	/	/	/	
Petty dealers not enumerated	/	/	/	

L. M.
Secretary

To Collector

No 1820 12

The Government approve generally of the instructions which the Board propose to issue; excepting that part of para 5 in which the Board direct that the principle of classifying the payers of the tax chiefly by locality shall be adopted. In the largest Towns there are poor as well as rich shopkeepers &c., and any attempt to levy the same tax from all persons

Observe 2 inclosures from the Commissioners of Excise & Stamps dated 3 December 1820 No 4408.

No 2113/61

Ireland.

No 1820 & 2113/61

11 & 12

persons who carry on the same Art, Trade or Dealing because they carry it on in the same place much either end in individual hardship or in loss of Revenue. The payers should be divided into classes according to their supposed gains and to ascertain the amount of these gains both the extent of business and the locality should be considered. The Board of Revenue will be requested to alter their circular accordingly.

~~The Government disprove generally of the restrictions which the Board proposes to impose~~

We would be well in para 1 of the Notification to add the words "Coconada and House Tax of Tanjore" so that the notification may be generally applicable.

It should be explained that a shopkeeper selling several articles in the same shop is not liable to be taxed for the sale of each and that the act applies only to persons whose profits

profits fall short of 200 Rupees the Income Tax minimum.

4 With reference to para III of the Board's Circular the Government do not see occasion to grant commission for the collection of this tax, except in special localities, such as Zemindaries.

It does not seem to the Govt. to be necessary specially to vest the Covenanted Subordinates of Govt. & the Dept. Colrs. with powers under this Act as they already can exercise the powers of Colrs. under other Divisions. If the Bd

Encl. to Govt. Letter No. 1864 dated 14th Sept. 1864.

Encl. to Govt. Letter No. 1864 dated 14th Sept. 1864.

V. Sect III Reg VIII of 1820 and Sect III Reg VII of 1857.

Rev 1861 Department
Cross of Coo[illegible] for September
No 2113

From
The Secretary to the Board
of Revenue

To The Secretary to Government
Revenue & Judicial Dep[t]

Dated 3rd
Rec[d] 13th } September 61
Encl[s] 1 } No 4766

Circular Order
Submitting for approval
copy of a Circular letter of in-
structions proposed to be ad-
dressed to all Collectors on the
subject of the Grades Tax.

Ref to from Dep[t] 20th Sept[r] 1861
C[t] No 2292 in No

No 1825 - 13th Sept[r]
With an Order.

7th September 60 No[s] 486 & 487
" 25th October " 417 a 419
" 8th August 61 " 111-112

4-11-0

Still entertain
any doubt as to
point they will
take the opinion of
their Pleader & com-
municate the result
to Govt.

J D S.

Fort St George
13th Aug[t] 61

Note. The allusion
in particular to
the last 2 paras of
the Draft. No communi-
cation was formally received for
the Instructions.

C. 7th Sept[r] 2103 No[s] 146 & 147