MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

Press
~~Mis.~~

G.O. No. 1948

No III.

Dated 8 — 10 — 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 8th October 1861.

No. 110. Read the following Extract from a letter from the Accountant General to the Government of India, to the Secretary to the Government of India, in the Financial Department, No. 525, dated the 31st July 1861, No. 11,253 :—

Paragraph2. This Office, I beg to state, is connected with the working of those Acts only, so far as they affect the public accounts and the assessment of interest on the public debt and the incomes of service Funds, and the following points appear to be deserving of consideration :—

(1.) Whether the special appropriation of the 1 per cent. tax provided for in Section CXCIII, should not include superannuation and other pensions and generally all allowances paid from the assets of the State, which would appear to be in the same category with public salaries, the 1 per cent. duty on which is ordered to be appropriated to each local Government in the proportion in which each Presidency, Lieutenant Governorship, or Province, shall contribute to the whole amount of the duty raised.

(2.) It further appears to me very desirable, for statistical purposes, that the public accounts should exhibit distinctly the collections made under each Schedule of the Act, as well as the several rates levied. The instructions issued by this Office to Treasury Officers on the introduction of the Income Tax Law had this object in view, but on the representations made in the papers received with your docket No. 1,486 of 11th February 1861, the specification of Schedules in the Treasury accounts was dispensed with for the first year.

(3.) Another subject to which I solicit special attention, is the operation of the Act in regard to the various official funds, other than those coming under the denomination of Charitable Institutions, which agreeably to construction 67 published in the Gazette, are subject to assessment on their entire income, whether derived from the subscriptions of members or from the support they receive from Government in the shape of interest, donations or otherwise. In all such cases the Tax cannot but be a serious burden to the funds, and especially injurious to those which only receive a percentage on their capital, the tax being equivalent to a withdrawal to the extent of not less than 50 to 66 per cent. of the Government contribution, and as it has always been the policy of Government to encourage such institutions, it may be deserving of consideration whether they should not be exempted at least in respect to their ordinary receipts, their declared profits, or surplus assets only being subjected to the operation of the Act.

Extract from a letter from the Secretary to the Government of India, in the Financial Department, to the Accountant General to the Government of India, No. 10,505, dated 28th August 1861.

Paragraph 4. As regards the 2nd point, regarding the desirableness of exhibiting in the public accounts, the collections made under each Schedule of the Act, I am desired to inform you that His Excellency in Council is pleased to sanction your proposal for the current year.

Copy of the above forwarded to the Government of Madras, for information and further orders.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
12th September 1861.

(Signed) C. H. LUSHINGTON,
Secretary to the Government of India.

No. 111. ORDER THEREON, 8th October 1861, No. 1,948.

Ordered to be communicated to the Board of Revenue, the Accountant General, and the Income Tax Commissioners for the Town of Madras, for their information and guidance.

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

Extract from a letter from the Secretary to the Government of India in the Financial Department to the Accountant General to the Government of India No 10505 dated 28th August 1861.

Para: 4. As regards the 2d point, regarding the desirableness of exhibiting in the Public accounts, the collections made under each Schedule of the act, I am desired to inform you that His Excellency in Council is pleased to sanction your proposal for the current year.

Copy of the above forwarded to the Government of Madras for information and further orders.

For Wm
Finl Depart
The 12th September 1861.

Secy to the Govt of India

Rev 1861 Department
Pro: of Govt for October
No 2331

From the Secretary to Govt of
India

Dated 12th September
Received 1st October } 1861

No 11253

No 1948
Ordered to be communi-
-cated to the Board of Revenue,
the Accountant General, and
the Income Tax Commissioners
for the Town of Madras for their
information and guidance —

For Sd Gpd 8
8th October 61 } Sd

2/10/61

Sanctioning the proposal
of the Accountant General
to the Government of India
to exhibit in the Public
Accounts the collections
made under each
Schedule of the Income
Tax Act.

No: 1948. 8th Oct No

Letter on Order

No 110 & 111

14 Copies. Board of Rev: Desp 19
3 " Accountant General 6
13 " President Income T. Comrs
3 " Special Comrs of D. V
1 " Govt Treasury