M.R.O. 14—10,000—21-4-32.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2372 — Press / ~~Mis.~~

262-63

Dated 24 - 12 - 1861.

Not to be folded or roughly handled

No. 262. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 25th November 1861, No. 13,962 :—

Read the under-mentioned papers on the subject of exempting certain Funds from liability to Income Tax :—

Financial Resolution, No. 3,212, dated 16th March last.

Letter to the Solicitor to the Government, No. 3,342, dated 27th idem.

Ditto from ditto, No. 70, dated the 17th May last, with a copy of the Advocate General's opinion.

Ditto to ditto, No. 6,469, dated 3rd June last.

Letter from Secretary to the Bengal Uncovenanted Service Family Pension Fund, No. 747, dated 31st May.

Financial endorsement, No. 6,517, dated 4th June last.

Letter from Government of Bombay, No. 169, dated 5th idem.

Ditto from Government of Madras, No. 1,123, dated 31st May last, and its enclosure.

Ditto from Solicitor to Government, No. 219, dated 21st June last, with copy of Advocate General's opinion.

Ditto to ditto, No. 7,716, dated the 24th idem.

Ditto from Civil Auditor, Madras, No.———, dated 22nd idem.

Ditto from Solicitor to Government, No. 264, dated 9th July last, with draft bill and copy of Advocate General's opinion.

Ditto to ditto, No. 9,351, dated 30th idem.

Ditto from ditto, No. 488, dated 11th September last, with a draft bill and copy of the Advocate General's opinion.

Ditto from Government of Madras, No. 1,801, dated 11th September last, and its enclosures.

Advocate General's opinion, dated 25th October 1861.

Resolution.—On a re-consideration of the entire question of exempting the several Service Funds, and other similar Funds (which have not been specially exempted as "religious" or "charitable") from the incidence of the Income Tax, in respect to such portions of the income of the Funds as are by the Act chargeable with it, the Governor General in Council observes, that without a change of the law the Managers of the Funds in question cannot be appointed Assessors in respect of the income derived by individuals from the Funds, nor be authorized to deduct from the pensions or allowances paid the tax upon that proportion of them, which represents the subscription, as distinct from that which represents the income from Government securities, or property, and that great inconvenience will be caused both to the Funds and their officers, and to the officers entrusted with the duty of assessing, or levying Income Tax, if the strict requisition of the Act were complied with, by distinguishing between those portions of the income of the Funds, which are subject to Income Tax in the first instance (such as Government securities), and those which are not (such as subscriptions of Members), and consequently between those portions of each recipient's pension, or allowance paid from the Funds on which he is individually chargeable with Income Tax, and that portion on which he is not so chargeable by reason of the tax having been already deducted from the Fund out of which it is paid.

His Excellency in Council is willing therefore to forego a portion of the rights of Government in regard to the tax payable from the sources now subject to its incidence, whether derived from Government securities or not, provided the Managers of the Funds will undertake to afford the Government the means of ascertaining what Income Tax is chargeable upon the individual recipients of pension allowance from the Funds in this country, by furnishing to the Accountant General to the Government, yearly lists showing the names and addresses of the pensioners, with the amount of pension paid to each of them. If the Managers of the Funds do not accept the above proposal, and undertake to deliver such lists, His Excellency in Council

cannot interfere to relieve either the income of the Fund, or the individual recipient from the strict incidence of the tax, and on failure after acceptance to deliver a yearly list, the Government will also leave the law to take its course.

If the proposal is accepted and the yearly lists rendered, no deduction will be made from any portion of the income, or consequently from any of the pensions or allowances paid by the Fund, on account of the Income Tax. But each individual pensioner or recipient will be liable to return the amount of the pension or allowance considered as income liable to the tax, and will be chargeable on his return, unless he can establish a special case for exemption by reason of his whole income being under the chargeable amount, such return being made to and the Tax being assessed by the Commissioner or Collector within whose district the recipient, if a house-holder, has his dwelling-house, or if engaged in trade or a profession, carries on such trade or profession, or if not a house-holder nor engaged in trade, *ordinarily resides.* The assessment will in every case be under schedule 2, the duty being charged in respect of annual profits not charged by virtue of any other schedule of the Act.

On delivery of the yearly lists to the Accountant General, that officer will furnish copies thereof to the Commissioners or Collectors within whose districts the recipients reside, and the Managers of the Funds will be at liberty to apply for, and make refunds of all sums levied by them on account of Income Tax under the provisions of paragraph 14 of the Financial Resolution, dated 16th March last, and paid into the Government Treasury.

Ordered, that a copy of the above Resolution be sent to the Military Department and to the officers* noted in the margin; also to the Managers of the Bengal Civil Annuity Fund, the Bengal Civil Fund, and the Bengal Uncovenanted Service Family Pension Fund, with a request that the decision of the Managers on the above proposal be communicated to this Department for the information of Government.

* Accountants General to the Governments of India, Madras and Bombay.

Also, that a copy of the above Resolution be sent to the Governments of Madras and Bombay, for communication to the Managers of the Funds noted in the margin† and for a report of the decision of the Managers of those Funds on the above proposal.

† Madras.—Military Fund, Medical Fund, and Apothecaries' Fund.
Bombay.—Indian Navy Fund, Medical Fund, Military Fund, Provident Fund, and Uncovenanted Service Family Pension Fund.

(A true Extract.)

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

No. 263. ORDER THEREON, 24th December 1861, No. 2,372.

Military Fund.
Medical Fund.
Apothecaries' Fund.

1. Ordered to be communicated to the Managers of the Funds noted in the margin with a request that the reports called for by the Government of India may be furnished at an early date.

2. The letter from this Government, dated 31st May last, No. 1,123, and referred to at the head of the foregoing extract, relates to that of the Sub-Treasurer recorded in Government Order of the same date, No. 1,122. A copy of the extract in question will therefore be furnished to Mr. Balmain.

3. With their letter of 11th September last, No. 1,801, also noticed by the Supreme Government in their present Resolution, this Government forwarded for orders the correspondence received from the Accountant General and Secretary Military Fund, and recorded in Government Order 11th September No. 1,800.

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

to apply for, and make refunds of all sums levied by them on account of Income Tax under the provisions of paragraph 14 of the Financial Resolution, dated 16th March last, and paid into the Government Treasury.

ORDERED, that a copy of the above Resolution be sent to the Military Department and to the officers* noted in the margin; also to the Managers of the Bengal Civil Annuity Fund, the Bengal Civil Fund, and the Bengal Uncovenanted Service Family Pension Fund, with a request that the decision of the Managers on the above proposal be communicated to this Department for the information of Government.

* Accountants General to the Governments of India, Madras and Bombay.

Also, that a copy of the above Resolution be sent to the Governments of Madras and Bombay, for communication to the Managers of the Funds noted in the margin† and for a report of the decision of the Managers of those Funds on the above proposal.

† Madras.—Military Fund, Medical Fund, and Apothecaries' Fund.
Bombay.—Indian Navy Fund, Medical Fund, Military Fund, Provident Fund, and Uncovenanted Service Family Pension Fund.

(A true Extract)

Secretary to the Government of India.

R 31 May 61 № 291 & 293

R 11th Septr 61 - 108 - 109

From the Sub Treasurer
23 January 62 C № 190 in

From the Secy to the Mid Govt
7 29 Jan 62 C 75 9

From the Trustees of the apothecaries of 1st Feb 62 C 293

14 Copies & Reports
Pro 6
13 - 1st Pay Comrs
3 - Sth Comrs Pay
2 - Genl Paymaster
3 - Sub Treasurers
1 - Secy Chy Fund
1 - Bread Co
1 - Apothecaries do
7 - Chy Depts
3 - Cost Collrs
№ 262 & 263
C 24 Dec 61 & 24

Revenue 1861 Sept
Pro: of Govt for December
№ 2967

Hond Sir Secy to the
Govt of India
Dated 25th Novr 61
Rec'd 14th Dec

№ 13962
Form Military Fund Ex by 62
Form Govt of India 19 Dec 61
C № 36 62

Transmitting a
Resolution on the subject
of exempting certain Funds
from liability to Income Tax,
communication to the
Managers of the Funds,
& for a report of the deci-
sion of the Managers of those
Funds on the questions men-
tioned proposed —

With an Order —
№ 2372. 24 December

Military Fund
Medical Fund
Hospitals Reserve Fund

Recd 24 Dec 61
Accountant Genl

№ 2372

Ordered to be communicated

1 to the Managers of the Funds noticed in the
margin with a request that the reports
called for by the Government of
India may be furnished at an
early date.

2 The letter from this Govt dated
31st May last № 1123, and referred to at
the head of the foregoing extract, relates
to that of the Sub Treasurer recorded
in G.O. of the same date № 1122. A copy
of the extract in question will therefore
be furnished to Mr Balneaim.

3 With their letter of 11th Sept
last, № 1801, also noticed by the Supreme
Government in their present Resolution,
this Government forwarded for orders
the correspondence received from the
Accountant General and Secretary
Military Fund, and recorded in G.O.
11 September № 1800.

J R L

C M