M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 288	Press ~~Mis.~~
62-63	
Dated 6-2-1861.	

Not to be folded or roughly handled

No. 62. Read the following letter from ARTHUR HALL, Esq., President to the Income Tax Commission, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated 4th February 1861, No. 37.

SIR,

With reference to the Order of Government, dated 21st November 1860, No. 2,194, I have the honor to submit a Report on the working of the Income Tax in the Town of Madras, up to 15th January 1861.

2. The Government have been already informed that the Income Tax Commissioners' Office was fully organized on the 1st October last, a few days previous to which the General Notices were freely distributed as prescribed by the Act. On the above date the issue of Special Notices commenced, and at the same time a detailed explanation of the manner in which the Returns should be filled in was published both in English and in the Vernacular languages.

3. A rough estimate based on lists of house-holders furnished from the Office of the Municipal Commissioners, and on the last census, led the Commissioners in the first instance, to the conclusion that it would be found necessary to issue about 30,000 Special Notices with the Forms of Returns, but it is probable that this calculation will prove somewhat above the actual number which will have to be served.

4. The number issued up to the 15th January was 16,248, and the service is being continued as quickly as possible, but owing to many persons assessable, living as lodgers, the work becomes more difficult; after all house-holders have received Special Notices, as many Natives send most incorrect returns of lodgers and inmates liable to Income Tax.

5. 11,119 sets of Returns were sent in to the Commissioners by the 15th January, leaving 5,129 still due out of the number issued.

6. The total number of surcharges disposed of by the Commissioners, up to 15th January was 70, out of which in 38 cases appeals were made, in 16 of which decisions were passed favorable to the appellants.

7. It will be seen from the tabular Statement enclosed that the demand for the 1st Quarter on Assessments made up to 15th January, was Rupees 39,877-8-6, of which Rupees 36,998-5-8 were collected on that date. Of this demand Rupees 11,098-1-9 were on account of Assessments by the Special Commissioner, and Rupees 28,779-6-9 on account of General Assessments.

8. As before reported, there has not been in the Presidency Town of Madras, any open opposition whatever to the Income Tax, nor has there been to any extent any organized passive resistance.

9. It will be observed that up to the 15th January, the number of surcharges made was 119, and that during the fortnight ending on the 31st January, the number of surcharges had reached the large number of 453; thus showing, that since the introduction of the Income Tax, the proportion of surcharges has reached 19½ per cent. on the Assessments. It is to be regretted that it has been necessary so frequently to employ Section LV, of Act XXXII of 1860; but it has been unavoidable, as the Returns furnished by many of the Natives have been so manifestly inadequate to the known incomes of the parties making the Returns; but having in view the novelty of the Tax, and the known disinclination of the Natives to state their Incomes and Profits, it has not been thought advisable hitherto to inflict the penalties provided by the Act.

10. During the earlier period of the working of the Commission, it must be remembered that the Assessments were mostly those of Europeans and East Indians of position and respectability. The consideration of the Returns of the Natives has only recently commenced, owing to the reluctance and delay with which they were made and therefore the per centage of surcharges falls nearly all on the native cases. The Commissioners desire to state that the investigation of these cases, is full of the greatest difficulty, not only from the inadequate amount returned, but from the character of the evidence offered on appeal.

11. The Commissioners have much pleasure in reporting that up to the present date, they have not had a single complaint made to them against any of their Officers, and they have had no occasion to enforce a single penalty prescribed by the Act.

12. With so many Returns as yet undisposed of, it is not easy for the Commissioners to say with confidence, what will be the financial result of the Income Tax for the first year ending 31st July next; but they believe that the total collection will not, for the Town of Madras, exceed 5 lakhs, *i.e.* Rupees 64,000 under Schedule I, Rupees 3,84,000 under Schedule II, and Rupees 52,000 under Schedule IV.

13. The annexed tabular Statement contains all Assessments and Collections of Income Tax up to the 15th January, including those made by the Special Commissioner, whose Report is annexed.

From R. S. ELLIS, Esq., Special Commissioner for Income Tax, to the PRESIDENT of the Income Tax Commission, dated 31st January 1861, No. 68.

SIR,

As required in the Order of Government, dated 21st November 1860, No. 2,194, I have the honor to submit my Report on the Financial result up to the 15th instant, of the Income Tax, so far as regards the Special Assessments made under Section 58 Act XXXII, 1860.

2. Since the organization of my Office on the 1st October last, there have been 87 Returns made to me, of which not more than four belong to Natives, the rest having been made by Europeans and East Indians.

		Rs.	A.	P.
Schedule	*I.*	2,625	2	0
Do.	*II.*	40,922	13	0
Do.	*IV.*	844	8	0
		44,392	7	0

3. The total Assessments on these Returns are, as shown in the margin, Rupees 44,392-7-0 under all the Schedules.

4. This total is made up of Rupees 33,340-8-0 assessed under private numbers, and Rupees 11,051-15-0 other special Assessments.

5. The number of compositions made is 8, embracing an Assessment of Rupees 14,361-4-0 inclusive of the addition of one Rupee to every twenty Rupees of the sum assessed as prescribed in Section 69 of Act XXXII, 1860.

6. There were two surcharges made, one of which was resisted with partial success, and the other confirmed.

7. The demand for the 1st Quarter due on the 1st November 1860, amounting to Rupees 11,098-1-9 has been collected.

8. From the proportion the Native Returns bear to those of Europeans and East Indians, as shown in paragraph 2, I conclude the Native community have little or no inclination to avail themselves of the secrecy afforded to them by the Act; and as almost all the European and East Indian residents have already made their Returns, I am of opinion that, for the remainder of the year there will be few special assessments made.

(True Copy.)

(Signed.) F. WALTHEW,
Secretary.

Proceedings of the Madras Government, Revenue Department,
6th February 1861.

Statement showing the operation of the Income Tax Act up to 15th January 1861, *in the Town of Madras.*

1	2		3	4	5		6	7	8	9	10	11	12
No. of Schedule.	Amount assessed.		Amount collected and brought to account at 1 per cent.	Do. do. at 2 and 3 per cent.	Assessment by composition.		Total number of cases of surcharge made under all the heads.	Total number of cases of surcharge disposed of.	Number of appeals.	Number of do. successful.	No. of cases of private complaints against the Officers of the Department.	No. of cases in which the charge was established.	Remarks.
					No. of cases.	Amount assessed.							
I.	16,520	9 0											
II.	95,357	15 0	9,067	6 4 27,930	15 4	14 15,228	8 8 119	70	38	16	None.	Do.	On the 31st January 1861, the total number of Surcharges made by the Commissioners since the introduction of the Income Tax, amounted to 453.—Vide para. 9 of letter, giving cover to this Statement.
IV.	47,631	10 0											

(Signed) ARTHUR HALL,
President to the Income Tax Commission.

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

(True Copy.)

OFFICE OF THE INCOME TAX COMMISSION,
MADRAS, *4th February* 1861.

Proceedings of the Madras Government, Revenue Department,
6th February 1861.

Ordered that the following letter be despatched.

No. 63. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, in the Home Department, dated 6th February 1861, No. 288.

SIR,

Dated 4th February 1861, *No.* 37, *with two enclosures.*

1. In acknowledging the receipt of your letter of the 1st November last, No. 2,475, I am directed to forward for the information of the Government of India, a copy of a report submitted by the Income Tax Commissioners for the Presidency town of Madras, regarding the operation of the tax in that town up to the 15th January.

2. The report to be submitted by the Board of Revenue of the working of the Act in the interior, necessarily requires more time to prepare by reason both of the distance of Districts and their number. The Government hope, however, to be able to forward that report by the next Steamer.

Rev Dep.t
3

Copied Dep.t 7 Feb.y

To

Fm Dep.t No 288.

The Secretary to the Gov.t of India
in the Home Dep.t

Sir

In acknowledging the receipt of your letter of the 1st November last No. 2475, I am directed to forward for the information of the Government of India a copy of a report submitted by the Income Tax Commissioners for the Presidency Town of Madras, regarding the operation of the Tax in that town up to the 15th January.

Dated 4th Feby 1861 No 37 with two Enclosures

2 The Report to be submitted by the Board of Revenue of the working of the Act in the interior, necessarily requires more time to prepare, by reason

reason both of the distance of Districts and their number. The Government hope however to be able to forward that Report by the next steamer.

Fort St. Geo. 6th February 1861

Revenue 1861 Despatch
Proc.s of Govt for February

№ 288.

To the Secretary to the
Govt of India in the
Home Deptt
Dated 6th February 1861.

From the Govt of India
Income Tax Comm.rs
Report

Forwarding copy of a
Report submitted by the
Income Tax Commissioners
for the Presidency Town of
Madras regarding the
operation of the Tax in
that Town upto 15th
January.

34 G-1-69 +
45-1-69 +
355-356
21-11-60

№ 62 & 63.