

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 643	Press ~~Mis.~~
351-52	
Dated 19-3-	1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
19th March 1861.*

No. 351. Read the following letter from W. BALMAIN, Esq., Officiating Sub-Treasurer, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated 27th February 1861, No. 1,089 :—

SIR,

1. I have the honor to request the instructions of Government in regard to deducting Income Tax on payments made at the Treasury on account of the Civil, Military, Medical and Apothecaries' Funds.

2. At present deductions are made more or less on payments on account of the three first Funds, but not on account of the last. The pensions paid by the Apothecaries Fund are assessed by the Income Tax Assessors.

3. The assessment by the Sub-Treasurer is made, I imagine, under Section 26 of the Act. Hitherto the Tax has only been levied on the annuities; but as payments are also made on account of the following objects, I wish to know whether they are properly exempted :—

Equipment allowance.

Passage money.

Loans.

Repayments of donation over-deducted.

Passage money may be brought under the description of "Travelling allowance," but the Travelling allowance mentioned in the Act was probably for travelling on public duty.

Equipment allowance.—This can hardly come under the head of travelling allowance, and I do not see why it should be exempted.

Loans.—These of course should not be taxed in the first instance, but the deductions made for the re-payment, should not probably be exempted from the tax like ordinary subscriptions. Otherwise a person by forestalling his income escapes the Tax altogether.

Repayments of donation.—These should, I think, be subject to tax. When originally deducted from the allowances, they were exempted from tax on account of their being payments to a Fund, and when overpaid they should be taken out of the category of Fund subscriptions, and taxed.

4. The drafts, generally mention, on what account each payment is made; but a clear statement of every sum for which exemption is claimed, should be required.

5. The same rules might be made applicable to all the Funds.

No. 352. ORDER THEREON, 19th March 1861, No. 643.

The Governor in Council resolves to refer to Calcutta for instructions regarding the "*Equipment allowances*" and "*Passage money*" referred to by the Sub-Treasurer.

2. The "*Re-payments of donations*" and "*Loans*" will be treated as Mr. Balmain proposes.

3. The Sub-Treasurer's letter will be communicated to the Trustees of the various Funds named, and their attention will be drawn to paragraph 4 regarding the mode of preparing drafts.

(Signed) C. G. MASTER,

Deputy Secretary to Government.

Ordered that the following letter be despatched

No. 353. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 19th March 1861, No. 644.

SIR,

1. I am directed, with reference to the accompanying copy of a letter* from the Officiating Sub-Treasurer at Madras, to request the orders of the Supreme

* Dated 27th February 1861, Government on the questions raised by Mr. Balmain relating to the bearing of the Income Tax Act on (1) *equipment allowance* and (2) *passage money*, granted by any of the "Funds" alluded to in paragraph 1 of his letter.

named, and their attention will be drawn

Proceedings of the Madras Government, Revenue Department,
19th March 1861.

2. This Government, I am to state, were at first inclined to consider disbursements of this nature to be properly liable to the tax, but subsequently doubted whether they could be fairly considered as *income*, to the recipients, in the strict sense of the term.

3. I am to add in regard to the other items referred to, viz., *loans*, and *re-payments of donation*, that orders have been passed to treat them both in the manner proposed by Mr. Balmain, viz., the former to be exempt as not being income, and the latter liable, because the donations when paid to the fund was exempt.

R. Department

No. 643/3

Proceedings of the Madras Government
Under date the 19th March 1861

Read the following letter
from the Officiating Sub
Treasurer.

Requesting orders of Govt.
in regard to deducting
Income Tax on certain
payments made at the
Treasury on account of
the Civil, Military, Medi-
cal & Apothecaries Funds

Mem. entry 27 Feb/61. No.
1089-

The G. in C. resolves to
refer to Calcutta for in-
structions regarding the
"Equipment Allowances"
and "Passage money" re-
ferred to by the Sub
Treasurer.

2. The "Repayments of dona-
tions" and "Loans" will
be treated as Mr. Bal-
main proposes.

3. The Sub Treasurer's
letter will be communi-
cated to the Trustees
of the various Funds
named, and their at-
tention will be drawn

to para 4 regard
mode of prep

Copy to the Sub Treasurers
Chif 20.

13 - ~~Bar. Rues~~

13 - ~~St. J. J. Connors~~

3 - ~~St. Louis J. Pape~~

3 - ~~Acch. Genl. in~~

1 - ~~Trustees of the Civil Fund~~

1 - ~~State Fund~~

" - ~~Med. Fund~~

" - ~~Apothecaries Fund~~

" - ~~Morant Cantonment~~

" - ~~Soldiers & Widows do.~~

Lut

Revenue 1861 Sept
Pro of Govt Genl March.

Feb 43.

Pro of the Madras Govt
27th March 1861

From the Secy to the Govt
of dated 21st April 1861
@ 100 968 rupees 25 apee

From the Acting Secy to the Govt
of 24th June 1861 @ 100 1225

On the 2nd of Treasury
letter requesting instructions
in regard to deducting ex
penses of the on payments
made at the Treasury on
account of Civil, Military
Medical and other the same
Tenders