

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 936 .

Press
Mis.

428.429

Dated 25 - 4 - 1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
25th April 1861.*

No. 428. Read the following letter from C. H. LUSHINGTON, Esq., Secretary to the Government of India (Financial Department), to the Secretary to the Government of Madras, dated Fort William, 4th April 1861, No. 3,776:—

SIR,

1. I am directed to acknowledge the receipt of your letter, No. 547, dated the 9th ultimo forwarding a statement of exemptions allowed by the Government of Madras under Section 133 of the Income Tax Act, from the date when the Act in question came into operation up to the close of 1860.

2. In reply I am desired to point out that the Military, Medical and Apothecaries' Funds, shown in the statement, have already been declared subject to the Tax by the Resolution of this Government, dated the 16th ultimo.

3. With reference to the Doveton Protestant College and the General Education Fund, the Governor General in Council observes that Section 133 of the Act is not applicable. He is pleased, however, to exempt those Funds according to the principle laid down in the accompanying copy of a letter, No. 3,022, dated the 18th ultimo, to the address of the Acting Secretary to the Government of Bombay.

4. The exemptions granted by the Government of Madras in the remaining cases call for no remark and are approved.

From C. H. LUSHINGTON, Esq., Secretary to the Government of India (Financial Department), to the Acting Secretary to the Government of Bombay, dated Fort William, 18th March 1861, No. 3,022.

SIR,

1. I am directed to acknowledge the receipt of your letter, No. 747, dated the 11th ultimo, submitting the list of Charitable and Educational Funds, the interest of which has been exempted from Income Tax by Order of the Government of Bombay, called for in the Resolution passed in this Department on the 21st December last, No. 12,370.

2. In reply I am desired to observe that the Funds marked "Charitable" have been properly exempted, and that the incomes of individuals, though derived from Religious or Charitable Funds, have been properly declared liable to Income Tax.

3. The Governor General in Council doubts, however, whether the Funds termed "Educational" have been rightly exempted under Section 126 of the Income Tax Act. That Section merely provides that profits coming to the Government from Trust Funds shall not be liable, and if the Government does not benefit by the profits, but is merely the hand to distribute them, Section 126 does not apply.

4. But there are educational cases which, in the opinion of the Governor General in Council, clearly came within a fair construction of the term "Charitable." Indeed if it be an object of policy to encourage education and especially bequests and donations for educational purposes, His Excellency in Council thinks the term "Charitable" might fairly be extended to every thing "Educational" which was not of a purely personal or family nature, but of public benefit.

5. On the other hand a strict construction of the letter of the Law would warrant the Government in levying Income Tax on all Educational Funds which are not in the nature of "Ragged" or "Infant Schools" obviously for the benefit of the poorer classes.

6. Under the circumstances the Governor General in Council is of opinion, that the decision of Government on this point should rest on the broad question of policy, whether it is desirable to lean to the side of liberality in order to encourage such objects as the "Elphinstone Professorship Fund," the "Raja of Dhar Prize Fund," &c. His Excellency in

one

*Proceedings of the Madras Government, Revenue Department,
25th April 1861.*

Council thinks that it is desirable, and he accordingly exempts the Educational Funds in question and resolves that the same principle shall be applied generally.

(A true Copy.)

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

No. 429.

ORDER THEREON, 25th April 1861, No. 936.

Ordered to be communicated to the Board of Revenue, the Income Tax Commissioners, the Trustees of the Military, Medical and Apothecaries' Funds, and Doveton Protestant College, the Accountant General, and Director of Public Instruction.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

No 3776
From C. H. Lushington Esq^r
Secy to the Gov^t of India
To The Secretary to the Government
of Madras

Financial Department.

W. C. W. I am directed to acknowledge the receipt of your letter No. 547, dated the 9th ultimo, forwarding a statement of exemptions allowed by the Government of Madras under Section 133 of the Income Tax Act from the date when the Act in question came into operation up to the close of 1860.

2. In reply I am desired to point out
that the ~~Military~~ ^{and} Medical Funds
shown in the Statement, have already been
see Calcutta Gazette declared subject to the Ex by the
dated 3rd April 1861 Resolution of this Government dated the
Page 842 Summary 16th Ultimo.
1867.

3. With reference to the Doretton Pro-
testant College and the General Education
Fund, the Governor General in Council
observes that section 133 of the Act is not
applicable. He is pleased, however, to exempt those Funds
according to the principle laid down in the
accompanying copy of a letter No. 3022,
dated the 18th Ultimo, to the address of the
Acting Secretary to the Government of Bombay.

The exemptions granted by the Government of Madras in the remaining Cases call for no remark and are approved.

Fort William }
The 4th April }
1861 }

I have the honor to be
Sir,
Your most obt. Servant

MR

Wm. W. W.

Secy to the Govt of India
13 Copies to Secy to Govt of India
13 ... to Secy to Govt of India
14 - Spt. Comm. of India
1 - Trustees of the Mysore Funds
1 - Medical - do -
1 - Apothecaries - do -
1 - Secretariat Protestant Colleges

No 936

Ordered to be communicated to the Secy of the Income Tax Commissioners, the Trustees of the Military and Medical Funds, & Director of Protestant Colleges, the Accountant General and Director of Public Instruction.

Fort St. George
25th April 1861

Wm. W. W.
Secy

Q. 13th April 1861 No 211. 212.
9th March 1861.
Collection payable 9th March 1861.

Recd. 18th April 1861
Secy of Govt of India

Wm. W. W.
Secy of India

Recd. 22nd April 1861
Secy of India

App. having with in
earnings of 1000, the
earnings of 1000, the
earnings of 1000, the
earnings of 1000, the

No 936. 25th April

William W. W.