M.R.O. 14—10,000—21-4-22.

# MADRAS RECORD OFFICE.

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## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1240 Press ~~Mis.~~

Dated 5th June 1862.

***Not to be folded or roughly handled***

No. 67. Read the following letter from H. A. BRETT, Esq., President to the Income Tax Commission, Madras, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 23rd May 1862, No. 13:—

Sir,

1. In accordance with the Order of Government dated 10th instant, No. 1,040, I have the honor to submit certain further reductions that the Commissioners would propose to make in the Income Tax Establishment for the ensuing Income Tax year, commencing with the 1st August next.

2. The Government are aware that great reductions have already been made in the Establishment as first formed. The extent of these reductions is shown in the margin.

3. The first item which now presents itself, as bearing a heavy proportion of charge against Revenue, is the salary of the Special Commissioner. This Officer has from the 5th December 1860, performed both his own special duties of Special Commissioner, and the general duties of Managing Member in the Commission.

Establishment in November 1860.

| | Rs. |
|---|---|
| Commissioner's Office including Secretary.. | 753 |
| Assessor's Department..... | 2,132 |
| Collector's Department..... | 430 |
| Special Commissioner's Office..... | 2,554 |
| Rupees... | 6,169 |

Per mensem.

In August 1861.

| | Rs |
|---|---|
| Special Commissioner..... | 2,000 |
| Commissioner's office including Secretary.. | 838 |
| Collector's Department ..... | 763 |
| Assessor's Department..... | 1,332 |
| Rupees... | 4,933 |

Per mensem.

In May 1862.

| | Rs. |
|---|---|
| Special Commissioner..... | 2,000 |
| Secretary and Establishment..... | 759 |
| Assessors and do..... | 766 |
| Collectors and do..... | 563 |
| Rupees... | 4,088 |

Per mensem.

4. Though the new Act abolishing the Tax on incomes below 500 Rupees will considerably reduce the number of appeals and the labor of revision; the Commissioners are of opinion that so long as the Income Tax lasts it will be necessary to maintain for the Town of Madras, as the working head of the Income Tax Office and as Special Commissioner, some Executive Officer who will be in a position to commend the confidence of the public. Under present arrangements Mr. Ellis, as Special Commissioner, determines, without appeal, all assessments made by him in that capacity; and, as Sitting Commissioner, has prepared for his colleagues in the Commission all the other assessments.

5. In cases of appeals from surcharges it has been his duty to advise in respect of the information obtained by the Assessors, and further he has examined in the first instance into the claims, hitherto very numerous, made for refunds and revisions, consequent upon a falling off of profits, divisions of property, &c., &c.

6. To this Officer has also hitherto been confided the task of preparing all important Reports to Government, and communicating with individuals or public Companies on matter connected with the Income Tax. He has also had the general supervision of the Income Tax Office, has seen that the collections are made regularly and without delay, and has decided summarily claims to distrained property, which would otherwise have come before the Small Cause Court.

7. There is, however, good reason to believe that under the alterations now made in the Income Tax Law, much of this work will cease with the decreased number of assessments, more especially as the poorer and more troublesome classes will for the ensuing year be entirely exempt from the Income Tax.

8. The Commissioners, therefore, in proposing the amended and more economical Income Tax Establishment for the year 1862-63, have considered it probable that the Government will think fit to provide otherwise for Mr. Ellis, the present Special and Sitting Commissioner; and having in view the great probable reduction of Income Tax work consequent on the recent alteration of the Income Tax Law, the President of the Income Tax Commission is of opinion that he might himself fulfil under the amended Law the duties of Special Commissioner and the general duties of Sitting Commissioner, but would reserve to himself the liberty of addressing the Government at a future period, should he find that the anticipated decrease in the work of the office has not been realized; or should he find that these functions materially interfere with his duties as a member of the Board of Revenue.

9. The Commissioners see no ground for disturbing the present arrangement, whereby the duties of the Collector of Income Tax, and the duties of Secretary to the Board of Commissioners are performed by a single officer. The only alteration they would propose in the Departments under this officer consists in a considerable reduction in the number of inferior employés in those Departments.

10. Under the operation of the amended Income Tax Law, the Assessments to be made in the Town of Madras will be reduced for the year 1862-63, from about 12,000 to about 3,400; the larger proportion of the present Assessments being upon incomes of less then 500 Rupees per annum, which will hereafter be altogether exempted from Income Tax. A considerable reduction will therefore be practicable both in the Assessor's Department and the Collector's Department, the former commencing from 1st August, and the latter from the 1st November next.

* The portion of the salary of this Officer assigned to the Collector's Department is Rupees ..... 200 0 0
His pay as secretary being Rs. 400 0 0

| | | | |
|---|---|---|---|
| Total Rupees.... | 600 | 0 | 0 |

| | Rs. | A. | P. |
|---|---|---|---|
| Collector..... | 200 | 0 | 0 |
| 1 Accountant..... | 60 | 0 | 0 |
| 1 Writer..... | 30 | 0 | 0 |
| 2 Bill Writers @ 25..... | 50 | 0 | 0 |
| 1 Ledger Writer..... | 25 | 0 | 0 |
| 1 Cashkeeper..... | 20 | 0 | 0 |
| 10 Conicopolies @ 15..... | 150 | 0 | 0 |
| 4 Peons @ 7..... | 28 | 0 | 0 |
| Total Rupees..... | 563 | 0 | 0 |

11. In the Collector's Department the establishment at present consists of the Collector, who is also Secretary* to the Board, and of twenty Sub-Officers, at a monthly cost, as shown marginally of 563 Rupees per mensem.

12. Having in view the decreased number of Bills to be issued, and that the Bills hereafter issued will be in the names of those members of the community who can afford to pay the tax without any great difficulty, the Commissioners would recommend for the sanction of the Government the Establishment noted marginally,† at a monthly cost of Rupees 454, making in this Department a reduction of Rupees 109.

| | | | |
|---|---|---|---|
| † Collector..... | 200 | 0 | 0 |
| 1 Accountant..... | 60 | 0 | 0 |
| 1 Writer..... | 30 | 0 | 0 |
| 1 Bill Writer..... | 25 | 0 | 0 |
| 1 Ledger do. ..... | 25 | 0 | 0 |
| 1 Shroff..... | 25 | 0 | 0 |
| 5 Conicopolies @ 15 Rs. | 75 | 0 | 0 |
| 2 Peons @ 7 Rs. | 14 | 0 | 0 |
| Total Rupees.... | 454 | 0 | 0 |

13. The Commissioners recommend that this reduction should not commence till the close of the first quarter in the ensuing year, as the assessments belonging to the fourth quarter of the year 1861-62, are only due on the 1st of August, and must be collected during the ensuing three months from that date.

| | Rs. | A. | P. |
|---|---|---|---|
| ‡ 1 Assessor..... | 500 | 0 | 0 |
| 1 Head Writer..... | 60 | 0 | 0 |
| 1 Deputy do. ..... | 50 | 0 | 0 |
| 1 3rd do. ..... | 35 | 0 | 0 |
| 1 Head Conicopolay..... | 30 | 0 | 0 |
| 2 Conicopolies @ 20 ..... | 40 | 0 | 0 |
| 2 do. @ 15 Rs. | 30 | 0 | 0 |
| 3 Peons @ 7 Rs. | 21 | 0 | 0 |
| Total Rupees..... | 766 | 0 | 0 |

14. At present the Assessor's Department as shown marginally‡ consists of twelve persons, at a monthly cost of Rupees 766. Having in view the decreased labor entailed in the work of assessments, the Commissioners do not consider it will be necessary after the close of the current Income Tax year, to retain the services of so highly paid an officer as Mr. Morison, who receives 500 Rupees a month. The Commissioners would propose that the Assessor's salary should be reduced from the 1st August to Rupees 350 a month, with a reduced establishment, as shown marginally,§ of seven persons, at a cost monthly of Rupees 499.

| | | | |
|---|---|---|---|
| § 1 Assessor..... | 350 | 0 | 0 |
| 1 Head Writer..... | 60 | 0 | 0 |
| 1 2nd Writer..... | 30 | 0 | 0 |
| 3 Conicopolies @ 15 Rs. each | 45 | 0 | 0 |
| 2 Peons @ 7 Rupees... | 14 | 0 | 0 |
| Total Rupees..... | 499 | 0 | 0 |

15. The present cost of the Commissioner's establishment, consisting of tweny-four persons, is Rupees 2,759, as detailed marginally.‖ Under the arrangement above described in paragraph 8, by which the duties of the Special Commissioner and Managing Commissioner, with the general supervision of the Income Tax Office, would devolve on the President, very considerable reductions may be made in the Commissioner's

| | | | |
|---|---|---|---|
| ‖ Special Commissioner and Managing Commissioner. | 2,000 | 0 | 0 |
| Secretary..... | 400 | 0 | 0 |
| 1 Head Writer..... | 70 | 0 | 0 |
| 1 Petition Clerk..... | 35 | 0 | 0 |
| 2 Record-keepers @ 30..... | 60 | 0 | 0 |
| 2 Abstract Writers @ 30 and 25 Rupees..... | 55 | 0 | 0 |
| 1 Copyist..... | 25 | 0 | 0 |
| 2 Mutchies @ 10..... | 20 | 0 | 0 |
| 1 Duffadar..... | 10 | 0 | 0 |
| 12 Peons @ 7 Rupees..... | 84 | 0 | 0 |
| Total Rupees ..... | 2,759 | 0 | 0 |

*Proceedings of the Madras Government, Revenue Department, 5th June 1862.*

| | Rs. |
|---|---|
| * Secretary also Collector ..... | 400 |
| 1 Head Clerk..... | 70 |
| 1 Petition Clerk..... | 50 |
| 1 English do. ..... | 35 |
| 1 Abstract Writer..... | 30 |
| 1 Record-keeper ..... | 25 |
| 1 Mutchee..... | 10 |
| 1 Duffadar..... | 10 |
| 8 Peons @ 7 Rupees each..... | 56 |
| Total Rupees..... | 686 |

Office, which should for the ensuing year consist of sixteen persons noted marginally* at a cost of Rupees 686 per mensem.

16. By the whole of the proposed reductions the cost of the Income Tax establishment would be 1,748 Rupees per mensem from 1st August, and Rupees 1,639 from the 1st November, instead of Rupees 4,088; being a saving of Rupees 29,061 per annum.

17. The cost of Income Tax for the year 1862-63 on account of other charges, such as Honorarium Fees, Contingencies, and Printing charges, as shown in the margin will be Rupees 3,872 against the estimated charge of Rupees 11,880.

PRESENT ESTIMATE FOR 1862-63.

| | Rs. |
|---|---|
| Honorarium Fees..... | 3,072 |
| Contingencies ..... | 300 |
| Printing charges..... | 500 |
| Total Rupees... | 3,872 |

ORIGINAL ESTIMATE FOR 1862-63.

| | |
|---|---|
| Honorarium Fees..... | 7,680 |
| Contingencies..... | 1,200 |
| Printing charges..... | 3,000 |
| Total Rupees... | 11,880 |

18. Thus the total charge of assessing and collecting the Income Tax in the Town of Madras for the year 1862-63 will be Rupees 23,867, while the probable collections under the amended Income Tax Law will be 2,50,000, making the total charge against Revenue about 9·55 per cent.

19. I submit a Statement, showing in one view the present Establishment and the proposed reductions, including the reductions commencing from the 1st August, and the reductions to be made in the Collector's Department, commencing from the 1st November, or the close of the first quarter of 1862-63.

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No. 68. ORDER THEREON, 5th June 1862, No. 1,240.

1. In this letter the Presidency Income Tax Commissioners report the reductions which they will be able to make in their Establishment in consequence of the discontinuance of the tax on incomes below 500 Rupees per annum. The following table shows in one view the reductions proposed :—

| Departments. | Present cost per mensem. | Proposed cost per mensem from 1st August 1862. | Proposed cost per mensem from 1st November 1862. |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| Commissioner's Office..... | 2,759 | 686 | 686 |
| Assessor's Department..... | 766 | 499 | 499 |
| Collector's Department..... | 563 | 563 | 454 |
| Total..... | 4,088 | 1,748 | 1,639 |

The total reduction will be Rupees 2,340 (or 57 per cent.) per mensem from 1st August next the commencement of the Income Tax year and Rupees 2,449* (or little less than 60 per cent.) from 1st November next. The Collector's Establishment, the Commissioners state, cannot be reduced before the latter date as the assessments belonging to the fourth quarter of the year 1861-62 will fall due on the 1st of August and must be collected during the ensuing three months from that date.

| | Rs. |
|---|---|
| * Commissioner's Office..... | 2,073 |
| Assessor's Department..... | 267 |
| Total ..... | 2,340 |
| Collector's Department..... | 109 |
| Total..... | 2,449 |

2. The greater portion of the reduction in the Commissioner's establishment, viz., Rupees 2,000 per mensem, is owing to the proposed abolition of the office of Special Commissioner. The President of the Commission offers to undertake the duties of that office and of the sitting Commissioner on the understanding that he may address Government at a future period should the anticipation of a large decrease in the work of the office not be realized, or should he find that these functions materially interfere with his duties as a member of the Board of Revenue,

The Government approve these arrangements, and they will take an early opportunity of providing Mr. Ellis with other suitable employment.

3. The chief reduction in the Assessor's Department is in the pay of the Assessor, which is to be Rupees 350 instead of Rupees 500 from 1st August next. The Government concur with the Commissioners that the former salary is sufficient, as the work of the Assessor will be considerably simplified and diminished.

4. The other arrangements proposed by the Commissioners do not need particular remark, and the whole revised establishment as shown in the Statement submitted with their letter above recorded, amounting to Rupees 1,748 from 1st August next and Rupees 1,639 from 1st November next, is sanctioned.

| | | Rs. |
|---|---|---|
| Provision made in the Budget for 1862-63 ..... | | 71,076 |
| Establishment from May to July 1862, at Rs. 4,088... | 12,264 | |
| Do. ,, Aug. to Oct. ,, ,, ,, 1,748... | 5,244 | |
| Do. ,, Nov. 1862 to April 1863 ,, 1,639... | 9,834 | |
| Total... | 27,342 | |
| Reduced amount of Honorarium fees and Contingencies..... | 3,872 | |
| Grand Total... | 31,214 | |
| Saving.. | 39,862 | |

5. The amount of the Budget of the Commissioners for 1862-63 passed in the Order of Government, dated 31st December 1861, was Rupees 71,076. The actual cost under the reductions already made and to be made will not exceed Rupees 31,214, the saving will be Rupees 39,862.

6. The Board of Revenue will be requested to submit their reply to the Order of Government dated 10th May 1862, No. 1,040, as early as possible, and the entire reduction in the Income Tax Establishments both in the Presidency Town and in the Provinces which may be effected by the discontinuance of the 2 per cent. tax will then be reported to the Government of India.

(Signed) A. J. ARBUTHNOT,
*Acting Chief Secretary to Government.*

Revenue Depart.
"
W. 1240 -

Revenue Department

No. 1240.

Proceedings of the Madras Government under date the 5th June 1862

Read the following letter from A. D. Bird Esq. Resident to the Income Tax Commission.—

Submitting certain further reductions in the Establishment of the Income Tax Commissioners for the Town of Madras for the ensuing Income Tax year commencing from 1st August next with reference to the order of Govt. No. 1040 dated 10th May 1862

Received 23rd May 1862 No. 1637

In this letter the Resident Income Tax Commissioners report the reductions which they will be able to make in their Establishment in consequence of the ~~~~ discontinuance of the Tax

tax.

Enclosure in a letter dated 13th May 1862 No. 1503/62.

Recd 23rd May 1862

tax on [illegible] incomes between
500 Rd per annum - The
following table shews in one
view the reductions proposed -

| Departments | Present cost per month | Reduction for the 4th Quarter | Reduction per month from 1st Nov. 1862 |
|---|---|---|---|
| Commissioners's office | 2769. | 666. | 666. |
| Assessor's Deptt | 1766. | 499. | 499. |
| Collectors' Deptt | 563. | 563. | 454 |
| Total | 4088. | 1748. | 1639. |

The total reduction
will be Rd 2340 (or 57 per
cent) per month from
1st August next, and
Rd 2449 (or little less than
60%) from 1st November
next - The Collectors'
Establishment the Com-
missioners state, cannot
be reduced before
the latter date as the
Assessments belonging
to the 4th Quarter of the
year 1861/62 will fall
due on the 1st of August
and must be collected
during the ensuing
three months from that
date -

The

* the commencement of the Income Tax year -

Rd
Commissioners office 2072.
Assessors Deptt - 267.
Total 2340.
Collectors' Deptt - 109.
Total - 2449

2 The greater por-
tion of the reduction
in the Commissioners
establishment viz Rd
pcca 2000 per Annum
is owing to the proposed
abolition of the office
of Special Commissioner
The President of the
Commission offers to
undertake the duties
of that office and of
the sitting Commis-
sioner [illegible] on the understand-
ing that Rd 2000 per annum
will be saved to Govt. at a fu-
ture period should
the anticipation of a large de-
crease in the assess
of the office not be
realized or should he
find that these func-
tions materially inter
fere with his duties as
Member of the Board.

P

of Revenue. The Govt. approve these arrangements and they will take an early opportunity if practicable of providing Mr. Ellis with other suitable employment.

3 The chief reduction in the Assessors Dept. is in the pay of the Assessor which is to be Rs. 350 instead of Rs. 500 from 1st August next. The Govt. concur with the Comr. that the former salary is sufficient, as the work of the Assessor will be considerably simplified and diminished.

4 The other arrangements proposed by the Commissioners need no particular remark and the whole revised estab. as shewn on the statement submitted with their letter above recorded amounts to Rupees 1,748 from 1st August next and Rs. 1,639 from 1st November next is sanctioned.

5 The amount of the Budget of the Commissioners for 1862/63 reserved in the order of Govt. dated 31st December 1861 was Rs. 71,076. The actual cost under the reductions already made and to be made will not exceed Rs. 31,214 the saving will be Rs. 39,862.

6 The Board of Revenue will be requested to submit their reply to the order of Govt. of 10 May 1862 No. 1010 as early as possible and the entire reduction in the Income Tax establishment in the Presidency town

Provision made in the Budget of for 1862/63 — 71,076.

Estab.t from May to July 63 at 4098 — 12,264.
Do. — " Augt. to Oct. " " 1748 — 5,244.
Do. — " Nov.r to April 63 " 1639 — 9,834.
Total — 27,342.

Reduced amount of Honoraria Fees and Contingencies — 3,872.

Grand Total Rs. 31,214

Saving — 39,862

Note. So much depends on the assessor that I should myself be disposed to give good pay to the single officer entrusted with the duty. He in fact hunts up all those who try to elude the Tax and ascertains the real means of each liable to it.

J. D. S.

Town and in the Pro-
-vinces which may be
effected by the discon-
tinuance of the 2 per
cent tax will then be
reported to the Govt. of
India.

L. D. S.

27/5/62

13 Copies to the Income Tax Comrs
Supt. &c
1 — Bds of Revn
2 — Accts Genl
3 — Distt Payrs
Accountant Genl
Genl Paymaster

Reduction in the Presidency Income tax Establishment -

Revenue 1862 Dep.t.
Pro: of Govt for June.

No: 1240

Pro: 223-226
10-5-62

Pro: of the Madras Govt.
Dy 5th June 1862.

From the President of the
Income tax Commissioners
D/ 28 Oct.r/62 C, No. 3006.

Pro: 67 to 68.

Passing orders on letter
from Income Tax Commis:
-sion reporting the reductions
which they will be able to
make in their establishment
consequent on the discontin-
-uance of the Tax on incomes
below 500 Rs per mensem.