M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. ~~1972~~ 1937 Press / Mis.

169-76

Dated 11—9—1862

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 11th September 1862.

No. 169. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 31st July 1862, No. 5,171 :—

From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, No. 2,259, dated 5th December 1861.

With reference to paragraph 4 of your letter, dated 17th September 1861, No. 11,533, I am directed by His Excellency the Governor in Council to inform you that, under the arrangement proposed in my letter, dated 28th August 1861, No. 1,730, the Income Tax accounts would show only the receipts at 2 and 4 per cent., and that the division of the latter by 4 would at once give the portion to be set aside for Public Works. The accounts now show the receipts at 2, 3 and 1 per cent., though the last two are paid by the same individuals, and thus much unnecessary accounting and trouble are caused.

No. 56, FINANCIAL DEPARTMENT, FORT WILLIAM, THE 7TH JANUARY 1862.

Forwarded to the Accountant General to the Government of India, with a request that he will state whether he sees any objection to the proposal made in this letter.

ACCOUNTANT GENERAL'S Report, No. 316, dated 27th June 1862, on Financial Secretary's docket, No. 56, dated 7th January 1862.

1. The question raised in the letter, No. 2,259,* dated 5th December 1861, from the Secretary to the Government of Madras, appears to be whether the rates of 3 and 1 per cent. Income Tax should each be separately calculated on official salaries or whether 4 per cent. should be levied and ¾ of the amount credited in account as 3 per cent. tax, and ¼ as the 1 per cent. tax appropriable under the terms of the Act.

* Herewith returned.

2. Hitherto the practice in this Presidency, and probably throughout the Country has been to levy each rate separately, a practice which is in strict accordance with the letter of the Act XXXII. of 1860, and as the amount of tax on certain incomes would under the provision contained in the final clause† of Section VI. be greater to the extent of one Anna if levied at the rate of 4 per cent., it appears clear that the levy can only legally be made separately at the rates of 1 and 3 per cent., and that the change proposed cannot be legally enforced under the circumstances.

† No duty shall be charged of a less denomination than one Anna.

3. I may observe that a similar proposition was sanctioned by the Board of Audit for adoption in the Military Department, but on a representation made by the late Controller of Military Finance, Colonel Hannyngton was withdrawn under the Board's orders of 14th February 1862.

FINANCIAL DEPARTMENT, FORT WILLIAM, THE 31ST JULY 1862.

RESOLUTION.—His Excellency the Governor General in Council observes that the letter of the Law requires the levy of each rate separately ; but that under Act XVI. of 1862, there is no longer any necessity for keeping separate accounts of the sums collected under each rate.

ORDERED, that a copy of the above be sent to the Government of Madras, for information, in reply to their Secretary's letter, No. 2,259, dated the 5th December 1861.

Also, to the Governments of Bombay, Bengal, North-Western Provinces, Punjab, and all Deputy Auditors and Accountants General, for information and guidance.

(A true Extract.)

(Signed) E. DRUMMOND,
Secretary to the Government of India.

No. 170. ORDER THEREON, 11th September 1862, No. 1,937.

Communicated to the Board of Revenue and the Income Tax Commissioners for their information, with reference to Government Order, 5th December 1861, No. 2,258.

(Signed) P. P. HUTCHINS,
Acting Deputy Secretary to Government.

5th Decemr/61 No 29 31

Revenue 1862 Dept.
Proc. of Govt for September
No. 2427.

Endorsement from the Secty. to the Govt. of India -

Dated 31st July 1862
Received 26th Augt.
No. 5171.

Forwarding for information Resolution on the question raised by this Govt. respecting the levy of the rates of the 3d 1/2 per cent Income Tax.

No 1937

Communicated to the Board of Revenue and the Income Tax Commissioners for their information with reference to G. O. 8th December 1861 No 2258.

First Secretary George
11th Septr. 1862

11 Copies to the Bd of Revd Dept No 2
13 — " President I T Commission

No 169 & 170.

No 1937 11 Septr

Will an order

Copy of No 2 Dept Septr