

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1257	Press ~~Mis.~~
247-219	
Dated	13.7-1863

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
13th July 1863.*

Read the following letters:—

No. 217. 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, 13th June 1863, No. 4.

SIR,

1. With reference to the Order of Government No. 706, dated 31st March 1862, I have the honor to submit for the information of His Excellency the Governor in Council, a detailed report of the working of the Income Tax in the Town of Madras for the year ending 31st July 1862.

2. Of the 12,765 individuals assessed in 1860-61, only 1,749 claimed to be assessed anew under the provisions of Act XXI of 1861, which became law on the 1st August 1861.

3. The Commissioners regard this result as unsatisfactory, and regret that they were precluded by Act XXI from serving special notices under Sections XXXVII and XXXVIII of Act XXXII of 1860, as they would by this means have been enabled, by the experience of the past year, to raise the tax in many instances, and probably to show a large increase of revenue. They would not, however, have considered such an increase as the result entirely of inadequate assessments in the first year, for two other causes may have induced parties to abide by their first year's assessment; viz, first a dislike on the part of merchants and others to produce their accounts; and secondly, the general improvement in trade in the years 1861 and 1862, the original assessments having been fixed on the limited profits realized in 1859 and 1860. As trade greatly improved in the years following 1860, many persons would have been fully liable to higher rates of assessment than they had to pay in 1860-61.

4. Of the 1,685 returns made during the year, 1,083 were surcharged. From these surcharges there were 444 appeals, of which only 106 proved successful.

5. The total sum assessed during the year amounted to Rupees 3,02,410-3-0.

6. During the year the Commissioners collected, on account of the demand for the previous year 1860-61 (amounting to Rupees 3,15,863-2-9), Rupees 1,27,027-0-5, leaving a balance for that year of Rupees 9,465-8-8. The Commissioners have used every effort to collect this balance, but as the parties from whom it is due are either very poor, or absent from Madras, or dead, there is no prospect of its being collected. Though the total sum is comparatively large, it consists mainly of small sums assessed on two per cent. rate payers, a class whose means were of course liable to much fluctuation. I therefore beg to solicit the permission of Government to write off this amount in the Income Tax accounts as irrecoverable.

7. For the year under report (1861-62) the Commissioners collected up to 31st July 1862, Rupees 1,70,070-11-4, on a demand of Rupees 3,02,410-3-0. The subsequent collections have increased this collected amount to Rupees 2,78,254-3-0. The Commissioners are taking steps for the recovery of the balance, Rupees 24,156, by compulsory process as provided for in Section CXL of Act XXXII.

8. The successive reductions made in the establishment during the year, have been duly reported to Government. The total cost under this head has been Rupees 56,728-3-6.

9. The number of cases in which recourse was had to compulsory process under Section CXL, Act XXXII, was 1,235. In 812 of these cases the parties paid the amount, prior to the seizure of the property. In 109 cases in which property was distrained, the distrained property was redeemed in 44 cases, and was actually sold only in 65 cases.

10. The total amount received on account of Warrant fees from the date on which the Income Tax was introduced up to the close of the year under report, amounted to Rupees 2,241-15-0. The way in which this sum has been expended is shown in a Statement annexed to this report. The balance at the end of the year will be carried to the credit of Government, with reference to the Order of Government, dated 8th July 1861, No. 1,360.

11. The Office having been held for six months of the year in the premises on the Mount Road, a charge of Rupees 1,200 was incurred for rent. The Office was subsequently removed to Government House.

12. The Honorarium fees paid to the Non-Official Members of the Commission amounted to Rupees 3,040.

13. The Commissioners are glad to be able to report that the working of the Tax during the year has been, on the whole, satisfactory, and that no complaints have reached them of oppression or extortion on the part of their subordinates. The Commissioners have also reason to believe that the people have been satisfied with the manner in which their appeals and petitions have been disposed of, and that the Tax has been collected without any considerable difficulty.

14. In conclusion, I beg to state that my official colleagues and myself have received valuable aid from the Non-official Members of the Commission.

From 1st January 1861 to 31st July 1862.

Madras, 13th June 1863.

No. 218. From N. MORISON, Esq., Secretary to the Income Tax Commission, Madras, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 22nd June 1863, No. 6.

Sir,
1. With reference to your Official Memorandum No. 129, dated 18th instant, I am desired by the President to inform you that the number of individuals assessed has been correctly stated in paragraph 2 of his letter of the 13th instant, at 12,765, the difference between this number and that given by Mr. Hall in his report, dated 11th November 1861, has arisen from the circumstance of several parties having been assessed in arrears for 1860-61 after Mr. Hall had submitted his report.

3. The total collections on this demand during 1860-61 was reported by Mr. Hall at Rupees 2,68,381-3-6, but he seems to have included the collections up to the date of his report which was submitted in November.

4. The amount reported as the actual collections for the year 1860-61, in paragraph G of the President's letter, viz., Rupees 1,27,027-0-5, was the money really collected between 1st August 1861 and 31st July 1862.

Total Demand	...	...	...	...	...	Rupees	3,15,863	2	9
" Collections	...	...	...	...	...	"	3,06,397	10	1
" Balance	...	...	...	...	...	"	9,465	8	8

No. 219. ORDER THEREON, 13th July 1863, No. 1,259.

1. In this letter the President of the Income Tax Commission reports upon the working of the Tax in the Town of Madras, during the year ending 31st July 1862, the second year of its introduction.

2. The number of individuals assessed for 1860-61 was 12,765, and that of the fresh returns made during the year 1861-62 was 1,685. The total number of assessments in the latter year appears to have been 14,450. Mr. Brett states that 1,749 of the individuals taxed in 1860-61 claimed to be assessed anew under Act XXI of 1861, and of the returns made during the year 1,083 were surcharged. The number of appeals against surcharges were 444, of which only 106 proved successful.

successful.

3. The total sum assessed during the year was Rupees 3,02,410, being less than the demand of the previous year by Rupees 13,453. The cause of this decrease is not clearly explained in the report. It seems but natural to suppose that the fresh assessments made in 1861-62 would at least have equalled losses on assessments made in the previous year. Mr. Brett will be requested to submit an explanation on the subject.

Demand of 1860-61 Rupees	3,15,863
Do. of 1861-62 "	3,02,410
Decrease ... "	13,453

4. The sum collected within the year on account of the demand of that year was Rupees 1,70,070-11-4 or 57 per cent. This result is unsatisfactory. In the first year the collection would necessarily be slow and troublesome, but in the second when the people must have become familiar with the Tax, the establishment experienced in their duties, and numerous doubts and difficulties have been removed, the collection of the money ought to have been more prompt. Mr. Brett will, therefore, be requested to submit an explanation on this point also. The balance of Rupees 24,156 at the date of the report is large and should be at once realized.

Establishment	Rupces 55,728
Office rent "	1,200
Honorarium fees... .. "	3,019
Total.....	60,968

5. The cost under the heads noted in the margin amounted to Rupees 60,968. The establishment having been subsequently reduced, and the office having been removed to a public building, this part of the expenditure does not need any particular notice.

*Proceedings of the Madras Government, Revenue Department,
13th July 1863.*

6. Under the circumstances explained in paragraph 6 of Mr. Brett's letter, sanction is granted for the remission of Rupees (9,465-8-8) nine thousand four hundred and sixty-five, Annas eight and Pice eight from the demand for the year 1860-61.

7. The Government do not understand the remark of Mr. Brett in paragraph 3, that the Commissioners "were precluded by Act XXI (of 1861) from serving special notices under Sections XXXVII and XXXVIII of Act XXXII of 1860." The first section here alluded to does not relate to special notices, but to the general notice. The special notice prescribed in Section XXXVIII instead of being wholly prohibited by Act XXI is authorized (*vide* VII) by it in cases of omissions and frauds in, and assessments for portions of the previous year. The only case which does not fall under the above heads and in which the issue of a special notice is therefore prohibited is that wherein the return for the first year was correct, but the income of the person making the return was larger in the following year. The Government resolve to call upon Mr. Brett to state clearly how the section of Act XXI of 1861 alluded to and Section VII of Act XVI of 1862 were understood and acted upon by the Commissioners. He will submit a brief list of the instances in which the provisions of these sections were availed of.

8. The Government have no particular remarks to offer as to the manner in which the sum collected from "Warrant Fees" have been appropriated. The Order dated 8th July 1861, No. 1,360, directed that whatever may remain out of this sum should be carried to the credit of Government after the close of each quarter or half year, and not at the end of the year as stated in paragraph 10 of Mr. Brett's letter. This Order was not attended to after July 1861, and an unnecessary balance of cash was consequently kept in the Income Tax Office. The balance of Rupees 542, which should have been paid into the Treasury on the 1st August 1862, appears to have been retained till 13th June 1863, the date of the letter under notice.

9. The Government notice with displeasure the great delay of upwards of ten months in the submission of the report under review. They request that the report for 1862-63 may be submitted punctually in August next, with full information on all necessary points.

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

N^o 4 Office of the Income Tax Commission
Madras 13th June 1863.

To,
H. A. Bretts Esq^r
President to the Income Tax Commⁿ
Madras.

To,
J. D. Sim Esq^r
Secretary to Government. Res. Dept.
Fort Saint George.

Sir,

With reference to the Order of Govern-
ment, N^o 706, dated 31st March 1862, I have
the honor to submit for the information of His
Excellency the Governor in Council, a detailed
report of the working of the Income Tax
in the Town of Madras for the year ending
31st July 1862.

11234

2 Of the 12765 individuals assessed
in 1860-61, only 1749 claimed to be assessed
anew under the provisions of Act. XXI of 1861,
which became law on the 1st August 1861.

3 The Commissioners regard this result
as unsatisfactory, and regret that they were
precluded by Act. XXI from serving special
Notices

Notices under Sections XXXVII and XXXVIII of Act
XXXII of 1854, as they would by this means
have been enabled, by the experience of the
past year, to raise the Tax in many instances;
and probably to show a large increase of
revenue. They would not, however, have
considered such an increase as the result
entirely of inadequate assessments in the first
year, for two other causes may have induced
parties to abide by their first year's assessment;
viz 1st, a dislike on the part of Merchants
and others to produce their Accounts; and 2nd,
the general improvement in trade in the years
1861 and 1862, the original assessments having
been fixed on the limited profits realized in
1859 and 1860. As Trade greatly improved
in the years following 1860, many persons
would have been fully liable to higher
rates of Assessment than they had to pay
in 1860-61.

4 Of the 1685 returns made during
the year, 1083 were surcharged. From these
surcharges there were 444 Appeals, of which

only 106 proved successful..
5 The total sum assessed during the
year amounted to Rupees 3,02,410 - 3 - "
6 During the year the Commissioners
collected, on account of the demand for the
previous year, 1860-61, (amounting to Rupees
3,15,863 - 2 - 9) Rupees 1,27,027 - 5 - 5, leaving a
balance for that year of Rupees 9,465 - 8 - 8.
The Commissioners have used every effort
to collect this balance, but as the parties from
whom it is due are either very poor, or
absent from Madras, or dead, there is no prospect
of its being collected. Though the total sum
is comparatively large, it consists mainly of
small sums assessed on 2 per Cent rate payers,
a class whose means were of course liable to
much fluctuation. I therefore beg to solicit
the permission of Government to write off this
amount in the Income Tax Accounts as
irrecoverable.

7 For the year under report (1861-62)
the Commissioners collected, upto 31st July, 1862,
Rupees 1,70,070 - 11 - 4, on a demand of Rupees
3,02,410 - 3 - . The subsequent collections have
increased.

increased this collected amount to Rs. 27,825-3-.

The Commissioners are taking steps for the recovery of the balance, Rupees 24,156-11-1/2, by compulsory process as provided for in Section CXL of Act XXXII.

8 The successive reductions made in the Establishment during the year, have been duly reported to Government. The total cost under this head has been Rupees 56,728-3-6.

9 The number of cases in which recourse was had to compulsory process under section CXL, Act XXXII, was 1,235. In 812 of these cases the parties paid the amount prior to the seizure of the property. In 109 cases in which property was distrained, the distrained property was redeemed in 44 cases, and was actually sold, only in 65 cases.

10 The total amount received on account of Warrant Fees from the date on which the Income Tax was introduced upto the close of the year under report, amounted to Rs. 2,241-15-11. The way in

Rev. Secy.

1259.

Recordings of the Madras Government.

Under date No. 13th July 1863.

Read the following letters.

From the President to the Income Tax Commissioner Madras.

Submits a detailed Report of the working of the Income Tax in the Town of Madras (Whereunder 13th June 1862 & 6th) for the Income Tax year ending 31st July 1862.

From the Secretary to the Income Tax Commissioner Madras.

Explains certain discrepancies in the President's (Whereunder 22nd June 1862 & 4th dated 13th June 1862).

In this letter, the President of the Income Tax Commission reports upon the working of the Tax in the Town of Madras during the year ending 31st July 1862, the second year of its introduction.

The number of individuals

individuals assessed for
1860/61 was 12,765 and that
of the fresh returns made
during the year 1861/62 were
1685. The total number of
assessments in the latter
year appears to have been
14,450. Mr. Brett states that
1749 of the individuals taxed
in 1861/62 claimed to be
assessed under section 204
XXI of 1861 and of the returns
made during the year
1083 were discharged.

The number of appeals
against
~~the number~~ of surcharges,
were 466 of which only
106 proved successful.

3. The total sum
assessed during the year
was Rs. 3,02,410 being
less than the demand
of the previous year by

Demand of 1860/61 -	Rs 3,15,863
Do of 1861/62 -	3,02,410
Difference -	<u>13,453</u>

Rs 13,453. The cause for
this decrease cannot be
explained satisfactorily.

explained in the report. It
seems but natural to suppose
that the fresh assessments
made in 1861/62, would not,
least have equalled losses
on assessments made in
the previous year. Mr. Brett
will be requested to submit
an explanation of the
subject.

4. The sum collected
within the year on account
of the demand of that year
was Rs 1,70,070 - 11-4 or 57
percent. This result is
unsatisfactory - In the
first year the collection
would necessarily be slow
and troublesome but in
the second, when the people
must have become familiar
with the Tax, the establish-
ment experienced in their
duties, and numerous
doubts and difficulties
have been removed.

removed the collection
of the money ought to
have been more prompt.
Mr. Brett will, therefore be
requested to submit an ex-
planation on this point also.

The balance of £24,158 at the
date of the report is large
and should be at once re-
sized.

5. The cost, under
the heads noted in the

margins amounted to. Establishment - £56,728
Office rent - 1,200.
Repairs 60968. The establishment & remunerations - 3040.
Total 60968.

having been subsequently
reduced and the office
having been removed to
a Public Building this part
of the expenditure does not
need any particular notice.

Under

6 Under the circum-
stances explained in para-
6 of Mr. Brett's letter, an-
tion is granted for the
permission of £24,158-8-8
Nine thousand four
hundred and sixty five
pounds eight and five
eighths from the demand
for the year 1860/61.

7 The Government
do not understand the
remarks of Mr. Brett
in para 6 that the com-
missioners were precluded
by Act XXI of 1861 from issuing
special notices under sec-
tions XXXV and XXXVII of
Act XXII of 1860. The
first section here alluded
to does not relate to special
notices but to the general
notice. The special notice
prescribed in section XXXVIII
instead of being wholly
prohibited by

by Act XXI is authorized
(Title VII) by it increases of
omissions and frauds in, and
assessments for portions
of the previous year. The
only case which does not
fall under the aforesaid
and in which the issue
of a special notice is, there-
fore, ~~not~~ ^{not} prohibited
is that wherein the return
for the first year was correct
but the income of the
person making the return
was larger in the following
year. The Com. resolve
to call upon Mr. Brett
to state clearly how the
provisions of Act XXI of 1861 ^{10 of act}
and section ^{XXI}
of 1862 were understood and
acted upon by the Com-
missioners. He will sub-
mit a brief list of the
instances in which the
provisions

provisions of those sections
were avoided of -
§ The Com. have in
particular remarks to offer
as to the manner in which
the sum collected from
"Warrent Tins" have been
appropriated. The order
of 8 July 1861, § 1360 directed
that whatever may remain
out of this sum should be
carried to the credit of the
after the close of each year
- or half year and not
at the end of the year as
stated in para 10 of Mr.
Brett's letter. This order
was not attended to after
July 1861 and an unne-
cessary balance of cash
was consequently kept in
the Income Tax Office.
The balance of \$42
which should have been
paid into the Treasury
on

on the 1 August 1862 appears to have been retained till 13 June 1863 the date of the letter under notice. ~~Mr. Pratt, with explanation that order was not intended to indicate the balance collected to be actually carried to the credit of Government.~~

G. The Committee with displeasure the great delay of upwards of ten months in the submission of the report under review. They request that the report for 1862/63 may be submitted punctually in August next with full information on all necessary points.

J.D.S.

P.S. I don't think
the Com^{rs} need
thank the time.
J.D.S.

13 Queen's Lane, London, E.C. 4
2 Accountant General of
3 Civil Paymaster

Pro. No. 503-510
31-3-62

111-112

Revenue 1863 Report
Pro: of Govt for July
21. 1257.

Pro: of the Standard Govt.
21 13 July 62.

From the 11 Sept. President
to the Income Tax Com. Madison
29 July 63 to 1787 in 1862
8 Aug 63 to 1472
From the 31 Aug 63 to 2076
Sept for the year ending 31 July 63
From the 29 Sept 63 to 2340
From the 20 Oct 64 to 2759

Report of the
working of Income Tax
in the Town of Madison
for the year ending 31st
July 1862, reviewed.

V. 217 @ 214.

23 July 63 124