M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1719 Press ~~Mis.~~

239.240

Dated 18.9.~~19~~1863

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 18th September 1863.

No. 239. Read the following letter from H. A. BRETT, Esq., President to the Income Tax Commission, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 31st August 1863, No. 9:—

SIR,

1. I have the honor to submit a detailed Report of the working of the Income Tax Law in the Town of Madras for the year ending 31st July 1863, in compliance with the Order of Government No. 1,259, dated 13th July 1863.

2. Act XVI of 1862 became Law on the 1st of August 1862, and on the 25th of the same month the Notification issued by the Governor General in Council under Section 1 of that Act, was published in the "Fort Saint George Gazette." On the same and on subsequent dates the Commissioners published their general Notification in the Gazette and in the local Journals. They also caused a translation of the Notification, in three of the Native languages, to be posted throughout the Town. By this Notification the public were informed that under Act XVI of 1862, all incomes of less than 500 Rupees per annum were exempted from the tax; and that such parties as might wish to be assessed anew were allowed two months from the 1st August to make their returns. During the three months ending the 1st November the Assessor was employed in obtaining information regarding such parties as could be served under Section VII, Act XVI of 1862. The actual work of assessment was not commenced until the 1st November.

3. By the abolition of the tax on incomes below 500 Rupees a year, 9,783 persons were relieved from the tax. The amount of the tax thus relinquished was Rupees 49,246.

4. Only 644 persons took advantage of the Commissioners' Notification by applying to be assessed anew for 1862-63.

5. The Commissioners during the three months allowed them by Section VII, Act XVI of 1862, were enabled to serve 1,151 persons with special Notices, under Section XXXVIII, Act XXXII of 1860. The words "obviously inadequate," in Section VII, Act XVI, enabled the Commissioners to serve more Notices this year than they did under Act XXI.

6. Of the three classes of cases enumerated in Section VII, Act XVI, the Commissioners, with the aid of their Assessor, discovered and served about 584 persons who had hitherto either escaped payment of the tax altogether, or had only paid at the 2 per cent. rate. The number thus newly assessed represents a tax of about Rupees 48,000, or an income amounting to Rupees 12,00,000. This increase is due mainly to the exertions of the Assessor, who in his person combined the duties of Assessor, Collector and Secretary.

7. The number of persons who were assessed for only a portion of the previous year, was very inconsiderable. Those who were thus liable to be served anew were duly served and assessed under Section VII.

8. With regard to the third class, embracing persons who had made either a fraudulent or an obviously low return, the Commissioners had only to serve (three cases excepted) persons who had been assessed at the 2 per cent. rate last year, but whom the Assessor, on enquiry, considered liable to the 4 per cent. rate. The number thus served anew was 1,005, but of these persons the number found to be actually liable was only 584.

9. The total number of returns sent in during the year by all parties, whether by persons who had elected to be assessed anew, or by persons who were served, was 1,707. The number of surcharges out of the 1,707 was 508. The number of appeals from surcharges was 297, of which 98 proved successful.

10. The total number of persons assessed in the Town of Madras on the return sent in as above particularized, added to the number brought forward from the previous year, amounted to 2,903.

11. The demand on these assessments amounted on the 31st of July to Rupees 2,50,724.

12. I beg here to give the following particulars regarding this demand. It will be seen by my Report for 1861-62 that the net demand for that year amounted to Rupees 3,02,410. Deducting from this the value of the 2 per cent. assessments which were given up under Act XVI (amounting to Rupees 49,246, as stated in paragraph 3 of the present Report) the net demand for the year under report was reduced at the beginning of the year to Rupees 2,53,164. This demand was subsequently modified by deductions and additions as shown in the margin.

	Rs.	
Demand of 1861-62...	3,02,410	
Deduction on account of the abolition of the 2 per cent. tax...	49,246	
Demand in the beginning of the year		2,53,164
Revisions and cancellations...	16,440	
Estimated loss on new assessment... ...	34,000	
		50,440
		2,02,724
Add new assessments		48,000
Demand..		2,50,724

13. The net demand shown in this Statement will be liable to further deductions on account of tradesmen and others coming up at the end of the year to claim, under Sections 139 and 140, Act XXXII, reductions on account of a falling off in profits, on account of premia paid to Life Assurance Offices, for the non-occupancy of houses, and so on; so that, before a final report of the year's collections can be submitted, a further reduction in the demand may have to be noticed.

14. In reporting on the collections, I beg to state that the fourth quarter's tax did not fall due till the 1st instant, and that the figures given below only represent the collections on the demand for the three quarters. These collections amounted up to 31st July to Rupees 1,63,683, against a net demand for the three quarters of Rupees 1,87,888. The actual balance was therefore only about 13 per cent. on the demand. The sum since collected in the demand for the four quarters, is Rupees 28,992-6-7.

15. This sum (Rupees 1,63,683) was collected by means of a reduced Establishment as compared with last year, the Collector having had five Conicopolies only at his disposal during the year, instead of ten in 1861-62 and fifteen in 1860-61.

16. The number of Warrants issued to the close of the year was 289. Of these, the defaulters paid as soon as the Warrant was exhibited in 172 cases. In 28 cases seizures were made, but in 18 of these the property was redeemed before sale, so that the number in which goods were actually sold was reduced to 10.

17. The fees collected during the year on account of Warrants amounted to Rupees 283, of which Rupees 253 was expended on salaries paid to Distraining Establishment, leaving a balance of Rupees 30 which will be credited to Government in due course.

18. The total cost of the Establishment during the Income Tax year ending 31st July 1863, was Rupees 21,458-13-0. The several reductions made in the Establishment have been from time to time reported to Government. On the 28th October 1862, I reported the demise of Mr. Walthew, then Secretary and Collector of the Income Tax. Mr. Morison, the Assessor, having been appointed to these two offices without prejudice to his previous appointment, on a consolidated salary of 600 Rupees per mensem, the saving effected through this arrangement was Rupees 4,200 per annum.

19. The Special Commissioner drew his salary up to the 26th October 1862, the date on which he proceeded to Calcutta. The duties of the Special Commissioner have since been performed by the President without any additional expense to Government.

20. The Establishment from the 1st August 1862 to February 1863 was maintained at a monthly cost of Rupees 1,748 exclusive of the Special Commissioner's salary, and was reduced on the 1st March 1863 by the Order of Government, No. 248, dated 5th February 1863, to Rupees 1,115 per mensem.

Proceedings of the Madras Government, Revenue Department,
18th September 1863.

21. The fees paid to the Non-Official Members of the Income Tax Commission during the year amounted to Rupees 1,280. Printing and contingent charges during the year amounted to Rupees 257-5-0.

22. No charge of misconduct was brought against any of the persons employed in the Income Tax Office, and, considering the reductions made in the strength of the Establishment, the work performed has been on the whole satisfactory.

23. Mr. Morison has, in the discharge of the duties connected with the three offices entrusted to him, displayed zeal and intelligence.

24. In conclusion I beg to state that my official Colleagues and myself have derived every assistance from the Non-Official Members of the Commission.

No. 240. ORDER THEREON, 18th September 1863, No. 1,719.

1. In this letter the President of the Income Tax Commission reports upon the working of the tax in the Town of Madras in the third year ending 31st July 1863.

2. The two per cent. tax having been abolished in this year the number of assessments at four per cent. was 2,903 to the amount of Rupees 2,50,724. The result is a slight decrease* below the similar demand for 1861-62. Mr. Brett remarks that this sum will be liable to further remissions under Sections 139 and 140 of Act XXXII of 1860.

	Rs.	
* Total demand for 1861-62...	3,02,410	
Deduct 2 per cent. tax.. ...	49,246	
Four per cent. tax		2,53,164
Demand for 1862-63		2,50,724
Decrease ...	2,440	

3. The collection up to 31st July, amounting to Rupees 1,63,683, against Rupees 1,87,888, the demand for the first three-quarters or 87 per cent., is satisfactory. Of the tax for the fourth quarter (which did not fall due till after the expiration of the year) Rupees 28,992 have been collected.

4. The Government are glad to learn that coercive process was not found necessary except to a very trifling extent in realizing the tax. Property was actually sold only in ten cases.

5. The cost of Establishment and other charges amounted to Rupees 22,996 or little more than 9 per cent. on the demand. This charge has since been greatly reduced.

	Rs.
Establishment	21,459
Fees to Non-Official Members..	1,280
Printing and Contingent charges	257
Total ..	22,996

6. The Government notice with pleasure the testimony borne by Mr. Brett to the good conduct of Mr. Morison and the other officers on the Establishment of the Commissioners.

(True Extract.)

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

To the Income Tax Commissioners.

Exd. S. T. Augustin.

Revenue Department

No 1719

Proceedings of the Madras Government

Under date the 18th September 1863

Read the following letter from W. A. Brett Esquire, President to the Income Tax Commission, Madras.

Submits a detailed report of the working of the Income Tax Law in the Town of Madras for the year ending 31st July 1863.

(Here enter 31st August 1863 No 9)

In this letter the President of the Income Tax Commission reports upon the working of the Tax in the Town of Madras in the third year ending 31st July 1863.

2 The two per cent tax having been abolished this year, the number of assessments at four per cent was 2903 of the value

amount
~~value~~ of Rs. 2,50,724. The result
is a slight decrease below the
similar demand for 1861/62.
Mr. Brett remarks that this
sum will be liable to further
remissions under Sections 139 and
140 of Act XXXII of 1860.

3 The collection upto 31st
July amounting to Rs. 1,63,683 —
against Rs. 187,888 the demand for
the first three quarters or 87
per cent is satisfactory. ~~The~~ Ac-
count Of the tax for the fourth
quarter (which did not fall
due till after the expiration
of the year) Rs. 28,992 have been
collected.

4 The Government are
glad to learn that coercive pro-
cess was not found necessary except to a
very trifling extent in realising
the tax. Property was actually
sold

× Total Demand for 1861/62 - Rs. 3,02,410
Deduct 2 per cent tax - 49,246
Four per cent tax ——— 2,53,164
Demand for 1862/63 —— 2,50,724
Decrease ——— 2440

sold only in 10 cases.

5 The cost of establish-
ment and other charges —
amounted to Rs. 22,996 or little
more than 9 per cent on
the demand. This charge ×
6 The Govt notice with
pleasure the testimony borne by
Mr. Brett to the good conduct
of Mr. Morrison and the other
officers servants on the establishment
of the Commissioners.

I. D. S.

13 Copies To the Income Tax Commrs Dept Pds & Hrs

Establishment Rs. 21,459
Fees to Hons Offg Members — 1,280
Printing & Contingent
charges ——— 257
Total — 22,996

× has since been greatly
reduced. —

Revenue 1863 Septr
Pro: of Govt for Septr.

No 1719.

Pro: of the Madras Govt
Dd 18th Septr 1863.
From Hon Brett Esqre
President of Income
Tax Court dd 20 Octr 1864
No 2759.

Pro No. 1854 17th
14-11-62
5-2-64
5-2-63
2-7-63
13-7-63

Report of the
working of the Income
Tax Law in the Town
of Madras for the year
ending 31st July
1863, reviewed.

1239 to 1240