M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 193	Press ~~Mis.~~
57.58	
Dated 3-2	~~19~~ 1886

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 3rd February 1864.

No. 57. Read the following letter from R. A. DALYELL, Esq., Sub-Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Madras, 24th November 1863, No. 7,427 :—

SIR,

1. With reference to the Order of Government, dated 31st March 1862, No. 706, I am directed by the Board of Revenue to submit their report on the working of the Income Tax Act during the year 1862-63, accompanied by the usual explanatory Statement.

2. It will be observed that in conformity with the wishes of Government, as expressed in their Order dated 29th July 1863, No. 1,411, additional columns have been opened in the above Statement to show the particulars of the demand for the year. The transactions of the Madras Town are as usual excluded from it, as a separate report is submitted by the Income Tax Commissioners.

3. The entire demand, both current and arrears, amounted to Rupees 15,51,815, of which the sum actually realized during the year was Rupees 13,37,617, upwards of 10½ lacs being contributed by the general public, leaving about 2½ lacs as paid by Government servants and the holders of Government Paper. Compared with 1861-62, this result shows a falling off in the receipts of Rupees 3,09,904. This decrease is attributed to the exemption from tax of all incomes below Rupees 500 per annum. The actual charges, excluding refunds, amount to Rupees 22,822 as compared with Rupees 38,188 in the previous year. The decrease is owing to the reduced scale of establishments sanctioned in the Order of Government dated 21st July 1862, No. 1,563, having been in operation since August 1862.

	Rs.
1861-62	16,47,521
1862-63	13,37,617
	3,09,904

4. Recourse to coercive measures in the collection of the tax was not found necessary except in a few cases, principally in the Districts entered in the margin. The conduct of the Officers engaged in the collection of the tax was generally satisfactory.

Ganjam.
Vizagapatam.
Nellore.
Kurnool.
Madras.
Madura.

5. Of the 75,234 persons assessed to the tax in 1861-62, only 5,674 persons, or not quite eight per cent. demanded a re-assessment for 1862-63, while but 3,383 fresh assessments were made. Of 6,559 surcharges made within the year, less than one-third were modified or cancelled, the remainder being either accepted by the parties or confirmed on appeal. Very little advantage seems to have been taken of Section 7, Act XVI of 1862, which permits the issue of a Special notice in all cases in which there is reason to believe that the return of the previous year's profits was fraudulent or obviously inadequate, only 1,651 notices of this description having been served, and these principally in the Madura, Coimbatore and Cuddapah Districts. The refunds amount to Rupees 11,648 only, of which upwards of Rupees 9,000 occurred in the Vizagapatam and the Nellore Districts. In the former case from the allowance for collection made to the Zemindars under Government Order dated 23rd February 1861, No. 428, and in the latter from abatements of original assessment made on appeal after the amount was collected.

6. With reference to the inquiry in the Order of Government, dated 29th July 1863, No. 1,411, as to why Special notices were not issued in certain Districts* in 1861-62 for increasing the previous year's assessment in cases in which the law allowed it, the Collectors of the Kistna and South Canara Districts report that a great number of persons were surcharged in the first year of the tax, in which cases, of course, no revision was possible. In Kistna Special notices were issued to thirteen individuals who had not been so surcharged, and as they were taxed *de novo* on fresh returns for 1861-62, they were incorrectly included under the head "Returns newly assessed." The Collector of Kurnool states that no instances were brought to notice of parties who had not been previously surcharged and who were assessed below what was presumed to be their income.

* Kistna.
Kurnool.
South Canara.

Statement showing the operations of the Income Tax Act in the several Districts of the Madras Presidency for the year ending 31st July 1863.

Divisions.	No. of Returns assessed up to 1861-62.	Notices. No. issued for inspecting the proceedings of Assessors.	Notices. No. issued to persons assessed for the first time.	Notices. Total.	No. of Returns newly assessed in 1862-63.	No. of surcharges.	No. of surcharges confirmed on appeal.	No. of surcharges modified or cancelled.	Demand. Arrears.	Demand. Current.	Demand. Total.	Stoppages from the pay of Public Servants and Interest on Promissory Notes.	Gross Receipts. Collected from private individuals.	Gross Receipts. Pensions, &c.	Gross Receipts. Total.	Charges. Establishment.	Charges. Contingent and Sadarwarid charges.	Charges. Refunds.	Charges. Total.	Net proceeds.	Remarks
	2	3	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
									Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1. Ganjam ...	365	3	46	142	124	80	67	23	1,703	37,383	39,086	10,126	26,153	48	26,329	865	7	258	1,130	25,199	
2. Vizagapatam ...	3,135	33	41	196	112	125	31	45	10,963	81,883	92,850	12,829	78,449	2	91,280	1,718	465	4,537	6,720	84,560	
3. Godavery ...	8,762	22	136	680	513	571	176	154	24,415	66,303	90,718	13,425	63,167	25	76,617	865	115	48	1,028	75,589	
4. Kistna ...	650	9	30	132	610	91	26	34	7,087	43,400	51,396	16,335	22,972	111	40,418	854	41	29	924	48,494	
5. Nellore ...	10,162	12	61	275	61	61	56	5	23,656	63,131	88,787	11,178	69,161	78	81,917	830	193	4,636	5,659	75,258	
6. Cuddapah ...	4,808	13	1,609	2,559	230	514	48	537	33,209	53,113	88,322	10,175	63,486	48	73,709	865	312	...	1,177	72,532	
7. Bellary ...	2,306	22	357	1,876	1,876	1,864	1,819	515	18,731	1,40,564	1,59,315	12,271	1,38,052	82	1,50,405	1,028	192	...	1,780	1,48,625	
8. Kurnool ...	6,720	21	170	787	592	563	211	189	9,003	59,083	68,656	13,655	50,308	10	63,943	840	200	530	1,040	62,903	
9. Madras ...	3,531	34	63	225	235	227	48	122	23,623	32,752	56,380	9,516	33,616	5	45,167	865	98	...	1,149	44,018	
10. North Arcot ...	4,012	11	214	664	147	439	74	126	48,440	58,006	1,66,446	10,747	55,856	65	64,708	865	104	186	2,188	62,520	
11. South Arcot ...	4,401	33	19	275	7	253	56	45	27,610	28,924	56,534	11,558	34,794	...	51,352	865	85	49	970	50,382	
12. Tanjore ...	4,862	34	102	436	359	313	113	48	22,364	82,033	1,04,397	29,205	69,184	18	89,407	840	187	864	1,891	87,516	
13. Trichinopoly ...	1,265	30	4	41	4	123	42	28	3,020	25,693	28,713	8,987	17,615	500	27,132	840	38	207	1,085	26,047	
14. Madura ...	5,061	24	131	738	463	363	79	25	35,124	1,66,860	1,41,654	10,739	93,063	1	1,05,792	2,518	21	151	2,720	1,03,072	
15. Tinnevelly ...	5,315	20	29	218	10	137	27	3	17,141	67,761	84,902	8,977	69,050	17	78,044	865	318	...	1,153	76,861	
16. Coimbatore ...	776	43	58	393	220	209	76	40	26,161	46,807	73,058	18,007	44,960	...	62,967	865	62	133	1,030	61,837	
17. Salem ...	3,026	238	102	463	277	367	184	153	13,014	35,615	51,629	11,167	34,545	1	45,713	865	86	...	951	44,762	
18. South Canara...	442	10	18	136	8	40	13	6	2,233	21,941	27,174	8,179	17,332	...	25,511	840	12	...	852	24,659	
19. Malabar ...	5,635	172	91	349	57	201	53	11	23,467	1,15,971	1,41,438	29,643	89,063	...	1,18,706	875	68	...	933	1,17,973	
	75,234	1,674	3,333	10,703	5,908	6,559	2,729	1,960	3,79,891	11,71,924	15,51,815	2,56,818	10,79,788	1,011	13,37,617	20,123	2,924	11,618	34,470	13,03,147	

No. 58. ORDER THEREON, 3rd February 1864, No. 193.

1. In this letter the Board of Revenue report on the working of the Income Tax Act during the year 1862-63.

	Rs.
Arrears	... 3,79,891
Current	... 11,71,924
	15,51,815

Ganjam...	... 2,757
Vizagapatam	... 1,570
Godavery	... 14,101
Kistna	... 1,078
Nellore	... 7,570
Cuddapah	... 14,613
Bellary	... 8,910
Kurnool	... 4,743
Madras	... 11,213
North Arcot	... 41,738
South Arcot	... 5,182
Tanjore	... 14,990
Trichinopoly	... 1,581
Madura	... 30,192
Tinnevelly	... 6,858
Coimbatore	... 10,091
Salem	... 5,961
South Canara	... 1,663
Malabar	... 22,532
	2,14,198

Years.	Net Proceeds.
1860-61	.. 13,02,147
1861-62	.. 15,95,321
1862-63	.. 13,03,147

2. The total demand for 1862-63 is entered at Rupees 15,51,815 composed as per margin. It is not stated how the arrears have arisen, but it is presumed that as the tax appertaining to the last quarter of 1861-62 did not fall due until the commencement of the current year a considerable amount of "arrears" was unavoidable.

3. Of this demand the sum of Rupees 13,37,617 was realized during the year, leaving a balance of Rupees 2,14,198 as per margin to be collected. The amounts due from North Arcot and Madura are considerable. The Board should state in submitting the Report for 1863-64 what part of the balances entered in the margin above appertain to previous years, and they will explain what progress has been made towards realizing them.

4. The net proceeds of the tax in the year under review, after deducting charges, amount to Rupees 13,03,147 or very much the same sum as in 1860-61, the first year of the Income Tax when the two per cent. tax was in force. These figures, it must be remembered, do not include the operation of the Act in the Presidency Town.

5. The Government are glad to learn that recourse to coercive measures was found necessary in a few cases only.

6. They observe that the total number of assessments in Cuddapah for 1861-62 was 4,808, and the number of special notices issued to persons for the *first time* in 1862-63, 1,609. This large number of special notices was unnecessary, and was apparently owing to want of sufficient discretion on the part of the public servants employed in the work, as only 230 persons were newly assessed in the year. The Government have already pointed out the impropriety of this promiscuous issue of notices in paragraph 3 of their Proceedings, dated 31st March 1862, No. 706. The Board will call the special attention of the Collector to the subject.

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

Rev Dept

No 193.

Proceedings of the Madras Government
Under date the 3d February 1864

Read the following letter
from the Sub Secy to the
Board of Revenue -

Submitting with
remarks report on the work-
ing of the Income Tax Act in
Madras Presidency during
1862-63

(Here enter 24th Nov 63 No 2)

In this letter the
Board of Revenue reports
on the working of the
Income Tax Act during
the year 1862-63.

2 The total demand
for 1862-63 is entered at
Rs 15,57,815-0-0 composed
as per margin - It is not
stated how the arrears
have arisen, but it is pre-
sumed that as the tax
appertaining to the last
quarter of 1861-62 did
not fall due until the
commencement

Arrears 3,79,891
Current 11,77,924
15,57,815

commencement of the current year a considerable amount of "arrears" was unavoidable.

3 Of this demand the sum of Rupees 1,37,619 was realized during the year, leaving a balance of Rupees 2,14,198 as per Margin, to be collected. The amounts due from North Arcot and Madura are considerable. The Board should state in submitting the report for 1863-64, what part of the balances entered in the Margin above appertain to previous years, and they will explain what progress has been made towards realizing them.

Ganjam	2757
Vizagapatam	1,057
Godavary	11,101
Kistnah	1978
Nellore	7,570
Cuddapah	11,613
Bellary	8,910
Kurnool	1,763
Madras	11,213
North Arcot	61,738
South Arcot	5,182
Tanjore	11,990
Trichinopoly	1,581
Madura	36,192
Tinnevelly	6,858
Coimbatore	10,091
Salem	5,961
South Canara	1,663
Malabar	27,552
	2,14,198

4 The net proceeds of the tax in the years under review, after deducting charges and

Years	Net proceeds
1860-61	1,302,147
1861-62	1,595,321
1862-63	1,303,147

to 9 Rupees 1,303,147- or very much the same sum as ~~was levied~~ in 1860-61, the first year of the Income Tax when the 2 per cent was in force. These figures, it must be remembered do not include the operation of the act in the Presidency Town

5 The Government are glad to learn that measures to coerce non payers was found necessary in a few cases only.

6 They observe that the total number of assessments in Cuddapah for 1862-63 was 4,808 and the number of special notices issued to persons for the first time in 1862/63, 1,609. This large number of special notices was unnecessary and

and was apparently
owing to want of sufficient discretion on
the part of the public
servants employed in
the work, as only 230
persons were newly ad-
-mitted in the year -
The Govt. have already
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-priety of these promis-
-cuous issue of notices in para
3 of their Proc.ª of 31st
March 1862 N.º 706.
The Board will call
the special attention
of the Collector to the
subject.

14 To The Board of Rev. Cust.
5 Feby

Revenue 1864 Dept.
Pro: of Govt for Febo

No. 193.

Pro: of the Madras Govt.
Dated 4th Feb: 1864.

Pro. No. 341-342
23-2-61
- 508-510
31-3-62
- 273-274
21-7-62
- 521-522
29-7-63
No 57 & 58

Report of the Board of Revenue on the working of the Income Tax Act during 1862 reviewed.