M.R.O. 1—99,000—16-10-23.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No.	3112	Press ~~Mis.~~
207 Dated	14-12	1868

Not to be folded or roughly handled

REVENUE DEPARTMENT,
FORT ST. GEORGE,
14th December 1868.

No. 3,112.

No. 207.
To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

Miscellaneous.

1. I am directed to forward the accompanying Proceedings of the Board of Revenue relating to an appeal from the Agent and Manager of the Madras Irrigation and Canal Company against the assessment of that Company made by the Collector under the License Tax Act,

Dated 16th Nov. 1868, No. 8,095.

The Agent maintained that the Company having as yet made no profits was not liable to the tax at all, and further that if it were declared liable to tax, the proceedings of the License Tax Collector in taxing it for four places of business, instead of one, were irregular. This appeal was, in the first instance, addressed to the Government, who informed the Manager of the Company that his proper course was to submit his appeal to the officer named in Section 14 of the Act.

2. When laid before the Collector of License Tax, the appeal was rejected; but, in passing his decision, the Collector remarked that "There is some difficulty in "determining how to define the terms Branches and Agencies when applied to "Railways or Irrigation Companies, as these words are better suited to meet the "case of Banks and Insurance Companies, and some ruling of the Government on "this point is very much to be desired; but it evidently could never have been the "intention of the Legislature that the largest Companies, whose capitals are counted "by the million, should have only to make the nominal payment of Rupees five "hundred, whilst other much smaller ones are taxed on a far heavier scale.

3. The Collector of Madras, who is the Commissioner under the License Tax Act, agrees with the License Tax Collector in thinking it desirable that some ruling on the subject should be passed.

4. The Board of Revenue, who properly observed that in the matter under notice an appeal did not lie to them, have, however, communicated their opinion that, in the event of the Act being reconstructed, it would be preferable to tax Companies, of the kinds described in Section 22, only on their dividends, instead of leaving them, as at present, the option of paying either on the dividend of the year, or a sum of Rupees 500 for each place of Agency or Branch.

5. The Government concur with the Board, and they have directed me to bring the point to the notice of the Government of India, for such consideration as it may be considered to deserve.

I have the honor to be,
Sir,
Your most obedient servant,

(Signed) R. A. DALYELL,
Acting Secretary to Government.

Exd. S. T. Augustin:

tax at all, and further that

No. 0/ccem-/87.

Revenue Department

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Pr. 3112.

To

The Secretary to the
Govt of India,
Finl Deptt.

Sir,

I am directed to forward the accompanying Pro: of the Board of Revenue relating to an appeal from the Agent and Manager of the Madras Irrigation and Canal Company against the assessment made by the Collector of that Company under the License Tax Act. The Agent maintains that the Company having as yet made no profits is not liable to the tax at all, and further that

Dated 16th Nov 1866 No 6,095

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N.P.

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Copies Depts

Financial 1866 Department.

From Government of
Fort St. George.

Date 11th Dec. } No. 3,112.
R. } Enclosures
6 Papers etc.

D. No. } D.
L. No. } Encs. No.

Forwarding, for consideration and orders, Proceedings of the Board of Revenue relating to an appeal from the Agent and Manager of the Madras Irrigation Company against the assessment of

that if it were declared liable to tax, the proceedings of the License tax Collector in taxing it for four places of business, instead of one, were irregular. This appeal was in the first instance addressed to the Govt, who informed the Govt, that instructions were issued directing the managers of the Company which is proper course was for them to submit their appeal to the Board of Officers named in Section 14 of the Act. When laid before the Collector of License tax, the appeal was rejected; but in passing his decision the Collector remarked that "there is "some difficulty in determining how

"how to define the terms
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"-er ones are taxed on
"a far heavier scale".

3. The Collectors of Madras who is the Commissioner under the License

License tax Act, agrees with the License tax Collector in thinking it desirable that some ruling on the subject should be passed. It states that if the Railway Company had not elected to pay on its dividend, it might have been a question if every station were not a Branch, Agency, or place of business.

Leaned over this measure with reference to this very question determining of the Govt. of India that even on the valuation of the net-work per each Railway station, we may fairly conclude by analogy that the Canal Company's stations would similarly be exempt. WDK

4. The Board of Revenue, in opinion that, in the event of the Act being re-constructed, it would be preferable to tax Companies, of the kinds described in Section 22 only on their dividends only, instead of leaving them, as at present, the option of paying either on the dividends of the year

who suppose I observed that on this matter under notice, an abstract did not lie to them, have however communicated their

year, or a sum of Rs. 500 for each place of Agency or Branch.

5. The Govt. concur with the Board, and have directed me to bring to the consideration of the Government of India for such consideration as it may be considered to deserve.

E.D. Ebbell