M.R.O. 1—88,000—16-10-20.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2435 Press Mis.
413-414
Dated 27 th August 1969

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 27th August 1869.

No. 413. Read the following Proceedings of the Government of India, Financial Department, (Separate Revenue—Assessed Taxes,) dated Simla, 12th August 1869, No. 2,576 :—

Read the following letter from R. A. DALYELL, Esq., Acting Secretary to the Government of Fort Saint George, Revenue Department, to the Secretary to the Government of India Financial Department, dated Fort Saint George, 22nd July 1869, No. 2,147.

On a reference made by the Accountant-General, Madras, in May last, this Government, for reasons stated by that officer, concurred in his opinion that an annuitant drawing his annuity quarterly, was not liable to assessment for Income-tax on the sum due for February 1869, though the same was drawn with the sum due for March and April.

2. Mr. Lushington has now brought to the notice of Government a letter which he has recently received from the Comptroller-General of Accounts, directing that Income-tax should be charged on the whole amount of a quarterly annuity due on the 1st May.

3. The Government direct me to state that they are unable to concur in the opinion of the Comptroller-General of Accounts. The present Income-tax came into operation on the 1st April last, and, it is submitted, ought not in justice to be leviable on income drawn for a period prior to that date. There is the further reason assigned by the Accountant-General, Madras, in his letter of 25th May 1869, [illegible] was specially exempted under the License-tax, which ceased to have effect on the 1st April last. This Government therefore beg to suggest that the Comptroller-General may be requested to withdraw his instruction adverted to above.

4. The papers on the subject are herewith enclosed.

Procs. of Govt., 12th June 1869, Nos. 276-277.
" " 22nd July " " 522-523.

Resolution—In the opinion of the Governor-General in Council the Comptroller-General's view is correct, and in accordance with the wording and purport of the Income-tax Act. The test as to the liability of income to the tax is, and in any such tax *must* be, the date on which it becomes due, not the period for which it is due. Any other principle would be obviously unmanageable. In the case of interest, trade-profits, and the like, the assessors would have to make intricate and difficult inquiries as to the period on account of which such profits arose; and though there would be no such difficulty in the case of pay, annuities, and pensions, the same principle must govern the assessment of income of all kinds.

Order.—Ordered that the above Resolution be communicated to the Government of Madras, and be published for general information in the *Gazette of India*.

(Signed) G. H. M. BATTEN,
Under-Secretary to the Government of India.

Proceedings of the Madras Government, Revenue Department,
27th August 1869.

No. 414. ORDER THEREON, 27th August 1869, No. 2,435.

Miscellaneous.

COMMUNICATED to the Board of Revenue and to the Accountant-General.

(True Extract.)

(Signed) R. A. DALEYELL,

Acting Secretary to Government.

To the Board of Revenue.
,, Accountant-General.

Exd. F. R. Pantleman.

Govt. at 1869 Madras.

REVENUE.

To

THE BOARD OF REVENUE,

&c., &c., &c.

Dated August, 27th.

Recd.

G. O., 27th August 1869, *No.* 2,435.

AUGUST.

Nos. 412-414.

Income-tax on annuities.—Resolution of the Government of India on this subject, communicated to Board of Revenue and Accountant-General.

№ 2435

Comm^d. to the
Board of Revenue
& to the Acct General

27th August 69

M. Tate Sup^t Rev. Distr. No 30
to — Ardglass

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