M.R. O. 1—8P,000—14-10-99.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 993 Press ~~Mis.~~

256-257

Dated 12th April 1869

Not to be folded or roughly handled

12-4-69

Proceedings of the Madras Government, Revenue Department,
12th April 1869.

No. 256. Read the following letter from the Acting Secretary to the Board of Revenue, to the Acting Secretary to Government, Revenue Department, dated Madras, 31st March 1869 :—

WITH reference to Government Order, dated 22nd instant, No. 791, I am directed to state that the Board are of opinion that the special establishment, sanctioned for the Town of Madras in Government Orders, 10th and 24th November 1868, Revenue Department, Nos. 2,810 and 2,933, and the existing License-tax establishments in the provinces, will suffice for the purposes of the new Income-tax. The Board have been unable to refer to Collectors on the subject, owing to the limited time allowed for their reply; but the difference between the License and Income-tax Acts is not so material as to warrant the Board in re-opening the question of the appointment of a Special Officer for the Town of Madras; their recommendation to that effect having already been negatived by Government on full consideration.

2. It will be necessary for Government to sanction arrangements similar to those contained in Government Order, dated 5th May 1868, Revenue Department, No. 1,232, and to confer the powers of a Collector in the Town of Madras on Mr. Richardson.

No. 257. ORDER THEREON, 12th April 1869, No. 993.

Miscellaneous.

THE Right Honorable the Governor in Council is unable to concur in the opinion of the Board that the difference between the License-tax and Income-tax Acts is not so material as to warrant a re-opening of the question of the appointment of a Special Officer for the Town of Madras.

2. The Government directed, that if the late License-tax should be continued after the expiration of the past official year, the duties of Collector should be carried on by the Deputy Collector of the Town of Madras, in addition to his own duties; because the work to be performed would have been comparatively trifling, as the assessments made in the two previous years, by the Special Officer, would have been available, as well as his decisions on all appeals.

3. The introduction of the Income-tax appears to the Government to render it very questionable whether this arrangement would meet the requirements of the case. The provisions of the Act will require an entire re-assessment of the town; for not only is the classification of the several incomes materially modified, but the change of the tax from one on profits to one on incomes will render it necessary that every assessment be re-considered with reference to this circumstance; and further a large number of persons, who possess incomes from lands, houses or invested funds, must be sought out and assessed. The recently received Income-tax Rules tend to show that numerous books will have to be kept up; further, the Collector will apparently be required himself to assess persons on any income derived from Government securities, which will also add to his work. The number of appeals, too, which will result from the re-assessment of the inhabitants must necessarily be numerous. The new Act no longer requires that payment of the tax be made before

appeal—an omission which is likely still more to increase the number of appeals. It may, therefore, be reasonably expected that the duties of the Collector of Income-tax will be more onerous than those which have hitherto devolved on the Collector of the License-tax.

4. Under these circumstances, His Lordship in Council resolves to direct that the Special Officer and establishment, which have up to this time been entertained for License-tax purposes, be retained as the Income-tax establishment for the Town of Madras.

(True Extract.)

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

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

Exd. F. R. Bantleman.

Govt. of {1869} Madras.

REVENUE.

To

THE BOARD OF REVENUE.

&c, &c, &c

Dated April, 12th.

Recd.

G. O., 12*th April* 1869, No. 993.

APRIL.

Nos. 256-257.

Income-tax establishment for Town of Madras.—Passing orders with reference to the retention of the License-tax Special Officer and establishment for the purposes of the new tax.

Revenue 1869 No 55.

From W. 1009 3 &c

The Acting Secretary Board of Revenue.

To The Acting Secretary to Government. R.D.

Dated 31st March 1869
Recd 31
Fwd Xd aff.

No
Nos 993 - 12 April 69

New Income-tax Govt informed that Special Establishment sanctioned for town of Madras in Govt Orders dated No 424 November 1868 granting Licence-tax establishment to in provinces will suffice for purposes of and recommended to sanction arrangements similar to those sanctioned for carrying out Licence-tax & to confer powers of a Collector on Deputy Collector Mr Richardson for duties - 256.

No 255.

Rs 5 May 68 No 102 - 3.
" 10 Nov 68 " 181 - 3
" 24 Nov 68 " 404 - 5
" 22 March 69 " 585.

Rs 4 April 69 No. R10 Rs

Memo for the Members of Government

Income Tax Establishment

I have gone over the probable Income Tax work with Mr. Wrinscom carefully, and I concur with him in thinking that the present Licence Tax Establishment is the smallest with which it can be done efficiently. There will probably be 6000 assessments to make & 1000 a month if the assessments are to be completed by Sept. 30th 1870 that is, with 25 working days in the month, 40 a day. each of these will occupy some time and notices must be served upon each person. Probably nearly half will appeal so that, in addition to originally fixing the assessments, about 20 appeals will have to be disposed of each day. The Collector will probably have to summon about 1000 people and attend at the Police Court to enforce payment.

M.

Mr. Winscom calculates that the tax in the town will yield 2 lacs, but would rather put it at 1¾ lacs. If, however Mr. Winscom's estimate is correct, the cost of collection if the present establishment be retained would be about 15,000 or 7½ per cent which would not be out of the way as a Presidency Town — Income Tax must always be special & troublesome work. The only possible reduction I can think of would be to reduce Mr. Winscom's own pay and that of his assistant, but this would be a harsh measure just after their work has been increased. I subjoin below the establishment.

It would be as well to look on Mr. Bruton & his Assistant establishment to deal with the Income Tax — WDR

N

Existing License Tax Establishment		Establishment proposed if License Tax had been continued.	
Collector	800	Dy. Collector	250
assistant	200	2d. asst.	150
Head Clerk	50	Inspector	30
Inspector	30	writer	20
Sheriff	20	2 Conicopillays	30
2 writers Rs. 20 each	40	6 Peons	42
4 Conicopillays Rs. 15 each	60		522
6 peons Rs. 7 each	42	For twelve months Rs. 6264	
	Rs. 1242		
For 12 months	Rs. 14,904		

R.D. 6C

Memo for Orders on A° 1009

The Government of India in their letter dated 23rd June 1868, A° 495 adverted to the heavy cost at which the License Tax was collected in the Town of Madras, and suggested, in view to a reduction, that the arrangement followed in Calcutta, under which the duties of the License Tax Collector were conducted by an officer of Govt in addition to his own duties should be adopted.

2. This letter was referred to the Board of Revenue for report and the Board submitting a letter on the subject from the Asst Collector of Madras, in which he suggested that the work connected with the

the License Tax might be performed by the Dy Collector of Madras, they raised several objections to his proposal. They considered that the time of the Deputy Collector of Madras was fully occupied with his own proper duties, and that the nature of the License Tax and the classes from which it was levied rendered the employment of a special Officer an absolute necessity.

3. After giving due consideration to the arguments advanced by the Board, the Government in their Order under date 10th November 1869, No 2810 decided that if the License Tax should be continued, the plan proposed by the Collr of Madras should be adopted, as being the best suited to meet the requirements of the case with a due regard to economy.

4. The Government arrived at this decision in consideration of the greatly reduced labor which would fall upon the License Tax Collector in 1869-70, as the assessments made by Mr Winscom would be available to him, and his duties would be chiefly those of a collecting Officer only.

5. When the Government became aware however

However that it was the intention of the Legislature to repeal the Licence Tax Act and to impose an Income Tax, they drew the attention of the Board of Revenue to the Income Tax Bill, and requested them to report what establishment they considered would be necessary to carry into effect the provisions of the bill in the town of Madras. They at the same time remarked that the Government of India had provided a sum of Rs 3,00,000 for Income Tax establishments in the Budget of Charges for 1869-70, against a provision of only Rs 2,10,000 in the Budget of 1868-69 for License Tax-Establishments.

G.O. 22nd March 1869 No 791.

6. In another order dated 31st March 1869 (pt. 842), the Government sanctioned the continuance of the present License Tax Establishment pending the determination of Establishment which would be necessary for the Income Tax, and directed that the orders under which the duties of License Tax Collector were to be performed by the D.C. Collector of Madras should be suspended.

7. The Board now report their opinion that the difference between the License & Income Tax, Collections is not so material as to warrant them in re-opening the question of the appointment of a special officer for the town of Madras, as their recommendation to that effect has been already negatived by Govt.

8. The Board appear to have overlooked the fact that the New Act will require almost an

per line

entire re-assessment of the town, for not only is the classification of incomes materially altered, but the change of the tax from one on profits to one on income, will render it necessary to re-consider every assessment hitherto made with reference to this circumstance, and further, a large number of persons who possess incomes but derive no profit from professions will have to be sought out and assessed.

9. The Govt. of India seems to have recognized the necessity for a stronger establishment to work the Income Tax than sufficed to work the License tax, by making a provision for the charge 50 per cent in excess of the provision for the License taxe charges during the past year, and it certainly seems to the undersigned to be quite impossible for the duty to be efficiently performed by the establishment now proposed by the Board. The attempt to do so, would probably result in a far greater loss of revenue owing to the inefficiency of the establishment. Thus would be gained by the reduction of charge.

10. Perhaps a special officer might be retained on Rs. 500 per month, with a

[illegible]

I am entirely of this opinion. Apart from the necessity of the new establishment in many of the Provinces a considerable number of persons who have hitherto escaped taxation would be brought to bear the effect of Section 16 and Schedule A of the Act, whereby they would be liable to a serious increase of taxation. For this Class of persons, it cannot be possibly proposed. MM.

This seems to be unquestionably necessary. The Dept. Govt. Mr. Robert Richardson, when it was intended to bring in to work the now defunct License Tax has such most special knowledge of

Mr. Winecom's present esta-
blishment at a cost of Rs. 442,
in all Rs. 942 per mensem, or
Rs. 11024, or some small re-
duction of the Establishment
might be made. Or possibly
it would be a better arrange-
ment to request the Board
to reconsider their propo-
sals with reference to the
foregoing observations.

of Guadras who will
enable him to carry out
the requirements of the Licen-
ses.
I doubt that we ought to
pay such a man less than as
the 2nd Class Deputy
Collectors that is both amalt.
The old Income Tax Establishment
consisted of a
Special Comr. salary - 2000
Secretary " - 400
Assistant (Mr. Duncan) " 400
Assessor - Scriven - 500
2 Mahomedan assessors each - 400
2 Native assessors each - 300.
Each assessor had an Establt of
his own, the cost of the whole
establishment being monthly = 4000/-
Lawrence that on the
Special Tax this was reduced -

I should briefly notice the
Mr. that the salaries of Collec-
tors which be compared with the Cost of
Guadras, will, in the opinion of the Govt.
materially exceed what would have been
the salary if the Income Tax continued in force,
and, under such circumstances, that there is no reason
whatever why the proposal of the Govt should
not be accepted & reasonable retrenchments
effected, such the future working of the new
Income Tax may render expedient -
3.4.69.

Rev. Department

No. 993.

Proceedings of the Madras Government

Under date the 12th April 1869.

Read the following

letter from the Actg Secretary

to the Board of Revenue.

Stating that the Special
establishment sanctioned for
the Town of Madras in G.O. dy
No. 1724 Mar. 68 & existing Li-
cense Tax Establt in province will
suffice for the new Income Tax.

(M. 31st March 1869 Rs.)

The Right Honorable
the Governor in Council ob-
serves that the Board
have apparently over-
looked the very large
amount of labour
which will devolve on
upon

I wish they
is made to appear in
the opinion of the Board
that the difference between
the Income Tax & Income
Tax Act is not so
material as to warrant
a reopening of the

upon the Officer conducting the duties of Income Tax Collector under the new act.

2. The Government directed that if the late License Tax should be continued after the expiration of the past official year, the duties of Collector should be carried on by the Deputy Collector of the Town of Chatham in addition to his own duties, because the work to be performed would have been comparatively trifling, as the assessments made in the two previous years by the Special officer would have been available, as well as his decisions on all appeals.

3 The introduction of the Income Tax has however rendered this arrangement quite impracticable. The provisions of the act will require an entire re-assessment of the Town, for not

---

Question of the appt. of a Special Officer for the Town of Chatham.

It is apparent to the Board at all times that the Town ought to be represented by an important fact (if indeed it is a fact, which I am much doubtful) and such an impression is sure to cause irritation & bring upon us a Grievance.

I don't think that the objection apparently overlooked by the Board, but I accept the alteration proposed by Mr Arbuthnot as modified from N.

I would say "Appears to the Govt. & under it they sanction this arrangement until next Session of the case."

I believe we are wrong and therefore we should write not to be too dogmatic

I think we are right but I accept the alteration N.

not only is the classification of the several incomes materially modified, but the change of the tax from one on profits to one on incomes will render it necessary that every assessment be re-considered with reference to this circumstance, and a further a large number of

This will be a mere matter of arithmetical calculation.

A.P.

of persons who possess incomes from Lands, or Houses or Invested funds must be sought out & assessed. The Elderly receive Income Tax subjects under which numerous books will have to be kept up, and the Collector will apparently be required himself to attend personally from house to house on every ~~income derived from~~ Rent Securities, which will also ~~materially add to this work~~. The numbers of appeals which will result from the assessment of the inhabitants must necessarily be numerous. The new act no longer requires that payment of the tax be made before appeal, an omission which is likely still more to increase the number of appeals. The duties of the Collectors of Income Tax will ~~consequently~~ be far more onerous than those which have hitherto attached to

Farnall Esq
Assessor of Taxes
Reading

A.P.

* It may therefore be reasonably important that

* Overleaf

~~to the Collector of the~~
~~Licensed Lane~~

~~4 Under these cir-~~
~~-cumstances this Lord-~~
~~-ship in Council desolate~~
~~to direct that the special~~
~~officers & establishment~~
~~which have hitherto been~~
~~entertained for License~~
~~Lane purposes be retain-~~
~~-ed as the Income Tax~~
~~Establt for the town of~~
~~Madras.~~

WDK

14 Copies to Mad. Dy. Qr. M. G. 12"
6 " Chelta Park
8 " Examining Claims
1 Copy to Mr. Windsor Lopez by the order of the Secy. of State

~~For~~
~~special establishment~~
~~noted in the margin be~~
~~entertained for the pur-~~
~~-poses of the Income Tax~~
~~Act from the 20th in-~~
~~-stant, on which date~~
~~the present Licensed~~
~~Tax Establt will be~~
~~discontinued.~~

See Home 150 6

There is no allusion in this draft to the last para of the Board's letter. Are no orders required with reference to the Cuddalore establishment?

I see this matter is disposed of in this draft.

6 Reads