M.R.O. 1—80,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1481 Press Mis.

613-614

Dated 26 th May 1869

Not to be folded or roughly handled

No. 613. *Read the following letter from the President, Municipal Commission,* Madras, to the Chief Secretary to Government, Fort Saint George, dated Madras, 11th May 1869, No. 284:—

I HAVE the honor to request that you will be so good as to bring to the notice of Government the hardship to which persons in the circumstances of my Assistant and my Assistant-Engineer are subject under the operation of the new Income-tax Act IX. of 1869, and the rules subsidiary thereto.

2. Up to the 15th of February last, my Assistant held the situation of Manager in the Office of the Government Solicitor at Madras, or Messrs. Brockman, Prichard, and Barclay, upon a monthly salary of 340 Rupees, and as such, paid the tax to which he was liable, under Class VIII. in Schedule A. to Act IX. of 1868, in advance for the half-year ending 30th ultimo, and is possessed of the Certificate herewith forwarded, and marked No. 1, which Government will observe was in force till the 30th ultimo.

3. My Assistant-Engineer likewise paid his tax, under Class IX. in the said Schedule, up to the 30th ultimo, and holds the enclosed Certificate (marked 2) in proof of such payment.

4. The taxes which my Assistant and my Assistant-Engineer have so paid were assessed, as I understand, upon their respective salaries accruing for the year commencing from the 1st of May, 1868, and ending on the 30th of April, 1869; and the question for the decision of Government is whether, having already (as before mentioned) once paid the tax upon their respective salaries for April last under Act IX. of 1868, which has been repealed by Act IX. of 1869, they are now liable to pay a second tax upon their salaries for the same month, under the new Income-tax Act which came into operation on the 1st ultimo.

5. I have made a representation of the case to the Collector of Income-tax, and of his replies I have the honor of enclosing a copy, from which Government will observe that, under the Rule therein quoted, he does not feel himself authorised to admit my Assistant and my Assistant-Engineer's claims to exemption for April last.

6. The Rule above referred to is most applicable to those persons who allowed their tax, under Act IX. of 1868, to be deducted from their monthly salaries on issue, in preference to half-yearly payments in advance, as such persons have had to pay but one tax upon their salaries which accrued due, and were disbursed up to the end of March last under the repealed Act, and in respect of salaries disbursed subsequently under the new Act.

7. The 34th Section of the new Act, under which the Collector suggests a petition for refund, allows a refund to those parties only who come within the operation of Part IV. of the Act, while my Assistant and Assistant-Engineer's fall within Part II., and cannot therefore have the benefit of the 34th Section.

8. If, as the Collector observes, my Assistants could be entitled to exemption from tax under the new Act upon their March-salaries alone, (and in this view he is no doubt influenced by the consideration of their having paid their tax as before mentioned, in respect of the salaries which accrued due up to the 30th of April last,) it is difficult to understand why the exemption should not be extended to

their April-salaries, to which, under the circumstances above disclosed, the claimants appearto be fairly entitled.

9. I am compelled to trouble Government on the subject, in consequence of my having been obliged, upon the communications of the Collector of Income-tax of which a copy is herewith transmitted, to deduct tax from my Assistant and my Assistant-Engineer's salaries for April last upon their protest.

TRANSFERRED to the Secretary to Government, Revenue Department.

(Signed) R. S. ELLIS,
Chief Secretary.

No. 614. ORDER THEREON, 26th May 1869, No. 1,481.

Miscellaneous.

THE Government decline to pa any orders on the question raised t the President of the Municipal Commi sion. The Income-tax Act prescribes the course to be taken by persons who m be dissatisfied with the orders of the License-tax Collector.

(True Extract.)

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

To the President, Municipal Commission, Madras.

Exd. F. R. Bantleman.

No 3.

Central & N. Divisions
President
Municipal Commission

Madras Fort St. George
Dated 26 April 1869.

Sir,

I have the honor to acknowledge the receipt of your letter of this date enclosing a list of the Employees in the Municipal Commission

2. Your Assistant is clearly liable for Income Tax on his salary for the current month as it forms a portion of the Income of employments. Income Tax in the Mofussil salaries were deducted from Government Servants.

3 Under Section 2 of the Rules of Government of Madras No 242 of 24th March 1869 published under cover Circular No 1 dated 1st January. the allowances drawn by Municipal Employees is liable to Income Tax.

I have the honor &c.
(signed) H.C. Whitmore
Collector of Income Tax.

True Copy/

R. Ramasawmy Reddy

Offg. Asst. to President Municipal Commission

Govt. of {1869} Madras.

REVENUE.

To

THE PRESIDENT, MUNICIPAL

COMMISSION, MADRAS

Dated May 26th.

Read.

6 Q, 26th May 1869, in 1181

MAY.

Nos 613 614.

Assistant and Assistant grant of the Madras Municipality President's letter requesting their exemption from payment of Income tax for March and April last, in consequence of their having held Honorary, with others thereon.

Income Tax Office
4th May 1869.

No 73.

My dear Colonel Davidson,

In the face of Para 7 of the General Order I do not think it is possible to admit your Assistants claim.

The para is as follows:-

"All payments made on and after the 1st April 1869 on account of salaries annuities or pensions will be subject to Assessment under this Act. For instance salaries for the month of March will be so subject."

Your Assistants have not paid Income Tax for the month of March salaries and it is only on them that they could have been entitled to exemption. It is open to them to petition for a Refund of License Tax under Section 34 and I should submit such petitions to the Collector but I do not think myself with the above para so decidedly against them they would have much chance of success.

Yours &c
(Signed) J.C. Davidson
(True Copy)
C. Ramasawmy Chetty
Ag: Asst. President Municipal Commission

Rec'd 5th May 1869
Rec'd 153/69

Rec. 1831/69
Pres. of Mad. May 19 1869

Proceedings of the Madras Govt
Under date the 25th May 1869

R.D
5C

Read the following letter from the President of the Municipal Commission Madras.
(R.S. 11th May 1869 No. 204)

The Govt declines to pass any orders on the question raised by the President of the Municipal Com.rs The Income Tax Act prescribes the course to be taken by persons who may be dissatisfied with the orders of the Income Tax Collr.

R.D.

B.P.
N.

The case certainly seems a hard one, but I have drafted in accordance with the view taken by Govt in a recent appeal from a Licence Tax Asst.

W.D.

4 To the President, Municipal Commrs Madras with 2 Encls Jes: 27 ... 15/3