M.R.O. 1—39,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1907. Press / Mis.

26-35
Dated 1-12-1870 19 .

Not to be folded or roughly handled

25-5

Read the following :—

No. 26. Proceedings of the Board of Revenue, dated 20th June 1870, No. 4,249.

Read the following letter from the Officiating Collector of Nellore, to the Acting Secretary to the Board of Revenue, dated 3rd June 1870, No. 1,352.

Referring to paragraph 4 of your Circular letter, dated 11th May 1870, No. 3,185, I have the honour to suggest, for the consideration of the Board, the undesirableness of postponing the assessment of the tax on landholders until the Government of India have issued orders on the manner in which it is to be fixed. Profits on land help to form the incomes of many of those assessed in this district, and it will be a great hindrance to assessment and collection if none of these individuals can be finally dealt with, till some indefinite period has elapsed. Prior to the receipt of the Circular in question, detailed instructions had been issued to the [illegible]rs in the *District Gazette*, and I have reason to believe that a commencement has already been made in assessing to the tax. I should regret having to issue any further notice which might have the effect of checking the work.

2. I request an early reply, because if the Board's present order holds good the assessing officers must be informed accordingly.

The Order to which the Collector refers was passed by the Government of India.

No. 27. Proceedings of the Board of Revenue, dated 2nd July 1870.

Read again Board's Proceedings, dated 20th June 1870, No. 4,249.

Read the following letter from the Collector of Tanjore, to the Acting Secretary to the Board of Revenue, dated Tritrapundi, 24th June 1870, No. 203.

With reference to paragraph 4 of your letter, dated the 11th May 1870, No. 3,185, I have the honour to call the attention of the Board to the urgent necessity which exists for instructions on the subject of calculating the ryots' profits for the purposes of the Income-tax being issued as soon as possible.

2. In this district, there are scarcely five per cent. of those liable to the tax, whose income does not consist wholly, or in part, of profits from landed property, and the effect, therefore, of the assessment of the tax on landholders being now suspended is, that the Income-tax Act will be virtually held in abeyance in this district for the present.

3. All incomes under Rupees 2,000 taxable under Part IV. are rated on a graduated scale, and it will not, of course, fail to strike the Board that the rate

under which a person whose aggregate income is within that limit should be assessed, cannot possibly be determined before it is ascertained what his income from landed property is. Again, as regards incomes, aggregating Rupees 2,000 and upwards, which are to be assessed at the uniform rate of six Pies in the Rupee, the portion which is derived from sources other than landed property may, it is true, be alone assessed, leaving the latter to be fixed hereafter, when the instructions of the Government of India have been received; but such a proceeding is obviously inconvenient, and will be sure to increase work and complicate matters. In these cases, moreover, it will be very difficult to convince the ignorant classes of natives as to the real reason why they are thus assessed piece-meal, and I am very apprehensive that, when they are afterwards called upon to pay tax on their income from landed property, they will at once think and say that they are being assessed twice over.

4. As thus, on the one hand, the working of the Act has to be suspended almost indefinitely, whilst, on the other, we have been enjoined to assess and collect the tax rapidly, I beg leave to suggest, for the Board's consideration, whether it will not be better for any plan, which may have been proposed by them and approved of by the Local Government, with respect to calculating the ryot's profits from landed property, to be at once acted upon for this year in anticipation of the sanction of the Government of India.

5. I would add that I do not see why the assessment of the tax on landholders other than ryotwary should be delayed, since it is only the question as to what the proportion of the ryots' profit to the land assessment is to be taken to be, that is now under consideration, and requires to be settled. The Board's order, however, above quoted is general.

The Government of India have directed that the assessment of Income-tax on the profits of landholders shall be suspended till they have passed orders as to how it is to be calculated—G. O., 4th May 1870, No. 637.

2. In their Proceedings of the 14th June 1870, No. 4,131, the Board have submitted a report on the subject for the consideration of Government.

3. The Collectors of Tanjore and Nellore now point out the extreme difficulty which will be caused if they are not allowed to proceed with the assessment in cases where profits derived from land form the whole or part of the income.

4. The Board concur with these Collectors, and fear that the result of postponing operations under the Income-tax in agricultural districts will be to cause great inconvenience and, perhaps, some loss of revenue.

5. They accordingly resolve to request Government to consider whether, when they have come to a decision, Collectors may be authorized to act on the rules which they adopt, pending further orders from the Government of India.

Proceedings of the Madras Government, Revenue Department,
1st December 1870.

No. 28. Proceedings of the Board of Revenue, dated 4th July 1870.

Read the following letter from the Collector of Cuddapah, to the Acting Secretary to the Board of Revenue, dated Madanapully, 2nd July 1870, No. 120.

In paragraph 18 of the Board's Proceedings, dated 14th June 1870, No. 4,131, there occurs this passage: "The Sub-Collector considers the average profits of wet agriculture twice, and of dry agriculture thrice the assessment. This estimate the Collector considers too high, and thinks that for the whole district it would be nearer the truth to say the assessment was twice or thrice the profits."

2. What I said on the point in paragraph 25 of my letter was "If I were to venture a similar opinion, I should incline to the belief that Mr. Storr's estimate of the lump profits is too high, and that the proportions from wet and dry should be exactly reversed for the district as a whole."

3. My meaning was not as understood by the Board, that the assessment was twice or thrice the profits, but that the profits from wet agriculture might be thrice, and those from dry agriculture twice the assessment.

Submitted to Government, with reference to Board's Proceedings, dated 14th June 1870, No. 4,131.

No. 29. Proceedings of the Board of Revenue, dated 6th July 1870, No. 4,710.

Read the following letter from the Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 9th June 1870, No. 212.

In continuation of my letter of the 7th ultimo, No. 151, I have the honour to forward herewith copy of a report from the Acting Sub-Collector, embodying the results of the experiments made by him to ascertain the average proportion of net profits from land to land-revenue.

Enclosure No. 1.

From the Acting Sub-Collector, to the Acting Collector of the Madras District, dated Chingleput, 3rd June 1870, No. 216.

In compliance with your docket on Proceedings of the Board of Revenue, dated 19th January 1870, and numbered 372, I have the honour to inform you that I have made a most careful calculation founded on the outturn of crops reaped under my supervision in February last, and after consulting a great variety of authorities, the enclosed statement embodying the results has been framed.

2. It will be observed that the average proportion of net profits to Government Teervah is as 3½ to 1 in nunjah and as 7½ to 1 in punjah, and that in some cases it rises as high as 8½ to 1 in nunjah and 16 to 1 in punjah.

3. The calculation is framed on the outturn of merely average crops raised in a very average year (1869-70), and I am pretty confident that extended experiments over a series of years would show a result still more favourable the to cultivator.

ENCLOSURE No. 2.

Statement showing the average proportion of Cultivators' Net Profits to Government Teerwah.

Description of land.	No. of the land examined.	Extent actually reaped for experiment.	Outturn in Rupees calculated on one Cawny at ten Mercals per Pagoda.	Government Teerwah.	What remains.	Remarks.
			RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Nunjah.	705	0 4 6	28 3 2	11 5 11	.....	3 2 9
,,	126	0 3 14	24 9 1	9 10 3	.....	5 1 2
,,	151	0 4 0	54 9 7	3 10 7	30 15 0	
,,	187	0 4 0	63 0 0	7 9 4	35 6 8	
,,	16 & 17	0 14 8	61 0 8	11 8 4	29 8 4	
,,	68	0 4 0	59 13 7	9 0 0	30 13 7	
,,	615	0 4 0	67 3 2	7 12 1	39 7 1	
,,	346	0 6 0	65 5 4	4 12 0	40 9 4	
,,	6	0 3 6	73 13 5	8 3 11	45 9 6	
,,	8	0 4 4	63 3 11	7 8 9	35 11 2	
	10	.....	560 13 11	81 1 2	296 4 7	
Punjah.	121	0 8 0	18 14 5	1 8 5	7 6 0	
,,	350	0 4 0	27 2 0	1 7 9	15 10 3	
,,	448	0 4 0	7 0 0	3 5 8	.....	6 5 8
,,	387	0 4 0	32 14 5	1 5 0	21 9 5	
,,	1,114	0 4 0	18 0 9	3 4 7	4 12 2	
,,	507	1 0 0	27 2 0	1 8 5	15 9 7	
,,	771	0 4 0	49 0 0	2 10 1	36 5 11	
,,	770	0 10 12	49 5 9	2 10 4	36 11 5	
,,	665	1 8 0	5 4 11	2 10 0	.....	7 5 1
	9	.....	234 12 3	20 6 3	151 11 6	

CHINGLEPUT,
3rd June 1870.

(Signed) C. S. CROLE,
Acting Sub-Collector.

SUBMITTED to Government in continuation of Board's Proceedings, dated 14th June 1870, No. 4,131.

No. 30. Proceedings of the Board of Revenue, dated 22nd July 1870, No. 4,992.

Read the following letter from the Officiating Collector of South Canara, to the Acting Secretary to the Board of Revenue, dated Mangalore, 14th July 1870, No. 932.

I HAVE the honour to request that the Board of Revenue will be pleased to inform me whether there is any prospect of early orders being passed by the Government of India as regards the assessment to the Income-tax of profits from lands.

2. The greater part of the incomes liable to taxation in this district are derived from land, and I am consequently unable to commence the assessment until I am informed of the principle on which it is to be carried into effect.

COMMUNICATED to Government, in continuation of Board's Proceedings, dated 14th June 1870, No. 4,131, and 2nd July 1870, No. 4,666.

No. 31. Proceedings of the Board of Revenue, dated 2nd August 1870, No. 5,138.

Read the following letter from the Collector of Salem, to the Acting Secretary to the Board of Revenue, dated 12th July 1870, No. 128.

ADVERTING to paragraph 4 of your letter, dated 11th May 1870, No. 3,185, I beg to state that until the Government of India give instructions as to the manner in which the assessment of the tax on landholders is to be fixed, a large portion of the Income-tax work must come to a stand-still. I have, therefore, the honour to request that the Board will be pleased to obtain early instructions on the subject.

SUBMITTED to Government, in continuation of Board's Proceedings, dated 14th June 1870, No. 4,131, and 2nd July 1870, No. 4,666.

No. 32. Proceedings of the Board of Revenue, dated 12th August 1870, No. 5,271.

Read the following letter from the Collector of Malabar, to the Acting Secretary to the Board of Revenue, dated Calicut, 27th July 1870, No. 270.

I HAVE the honour to request the early orders of the Board on the subject of assessment to Income-tax of profits from land. By far the great majority of payers of Income-tax in Malabar are landholders, as nearly all merchants hold some land, and the work of assessment is almost at a stand-still for want of definite orders on the subject referred to.

SUBMITTED to Government, in continuation of Board's Proceedings, dated 2nd August 1870, No. 5,138.

No. 33. Proceedings of the Board of Revenue, dated 1st October 1870, No. 5,944.

Read the following letter from the Collector of Madura, to the Acting Secretary to the Board of Revenue, dated 14th September 1870, No. 265.

WITH reference to paragraph 4 of your letter to Collectors, No. 3,185, I have the honour to request that the Board will be pleased to take steps for procuring early instructions of the Government of India regarding the valuation of profits from land in connection with the Income-tax.

2. As these profits enter into almost every case, no assessments have been made throughout the district though half the year has passed away.

SUBMITTED to Government, in continuation of Board's Proceedings, 12th August 1870, No. 5,271.

No. 34. Proceedings of the Board of Revenue, dated 8th October 1870, No. 6,033.

Read the following letter from the Acting Collector of Coimbatore, to the Acting Secretary to the Board of Revenue, dated Avenashy, 28th September 1870, No. 232:—

ADVERTING to the Proceedings of the Board of Revenue marginally noted I think it right to report, for the information of the Board, that the assessment of the Income-tax on profits derived from land is in abeyance in this district pending instructions as to whether or not the land revenue is to be assumed as the measure of those profits.

Dated 19th January 1870, No. 372.
" 14th June " " 4,131.

No orders have yet been received from Government on this subject.

No. 35. ORDER THEREON, 1st December 1870, No. 1,907.

Miscellaneous.

RECORDED, with reference to Proceedings of this date No. 1,894.

(True Extract.)

(Signed) H. WELLESLEY,
Acting Under Secretary to Government.

To the Board of Revenue.

Rrd. F. R. Bentleman.

Revenue Department.

No. 1907.

Proceedings of the Madras Government
Under date the 1st December 1870.

Read the following Proceedings of the Board of Revenue

Submitting letter from Collector of Tanjore pointing out the difficulty that will be caused if assessment of Income tax on profits of land holders is not proceeded with ..... (B. & 2? July 1870

Submitting letter from Coll.r of Cuddapah submitting further remarks regarding profits from Wet & Dry agriculture.— (B. & 4? — " —"

Submitting letter from Coll.r of Madras forwarding Copy of a report from Asst. Sub Coll.r embodying results of experiments made by him to ascertain average proportion of profits from Land to Land revenue.— (B. & 6? — " — " No. 4,710.

Communicating letter from Coll.r of South Canara enquiring whether there is any prospect of early orders being passed by Govt. of India in regard to assessment to Income Tax of profits from land. (B. & 22? — " — " No. 4992

Sub.d letter from Coll.r of Salem requesting that early instructions may be obtained relative to assessment of Income tax on profits of land holders.— (B. & 2? Aug.t 1870 No. 5138

Sub.d letter from Coll.r of Malabar requesting early orders on subject of assess.t of Income tax on profits from land. (B. & 12? — " — " No. 5,271.

Sub.d letter from Coll.r of Madura requesting early orders on subject of assess.t of Income tax on profits from land. (B. & 1st Oct.r 1870 No. 5,944

Informing Coll.r of Coimbatore that no orders have yet been received from Govt. on subject of Income tax assess.t on Agricultural profits.— (B. & 8? Oct.r 1870 No. 6,033.

Recorded with reference to Proceedings of this date No. 1894.

W. Foster Bt Pers. Despr.

Govt. of Madras.

REVENUE.

To

THE BOARD OF REVENUE,

Dated December, 1st.

Recd. " "

G. O., 1st *December*, 1870, No. 1,907.

DECEMBER.
Nos. 26—35.

Income-tax on profits from land.—Proceedings from the Board of Revenue on this subject recorded.



