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(2) Date of repair 23-4-42
(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Revenue

DEPARTMENT.

G.O. No.	110	Press <u>Mis</u>
Dated	16	18-11

Not to be folded or roughly handled

No. 225. Read the following letter from the Accountant-General, Madras, to the Chief Secretary to Government, Fort Saint George, dated 5th December 1870, No. 267:—

I HAVE the honour to bring to the notice of Government that the Collector of Bellary having given Mr. O. B. Irvine a refund of tax on account of premia paid to an Insurance Company, this department, on the refund being examined in the course of audit, admitted only so much of it as was supported by receipts of the Insurance Society, and ordered the difference of payment to be recovered.

2. Mr. Irvine has taken exception to the proceedings of this department, urging that the refund was allowed, by the Collector as Income-tax Assessor, under the provisions of the Orders of the Government of India, No. 1,888, dated 24th March 1869, and that it is beyond the province of this office to question the correctness of the abatement given.

3. It seems, under these circumstances, necessary that the functions of this department in this respect should be defined, and the question finally settled, whether, as the examining authority, it should demand proof *to the full* in support of abatements allowed by Collectors. I beg, therefore, to submit the matter for the consideration and orders of Government, and, in doing so, would observe that the action of Collectors as Income-tax Assessors is not interfered with by this department, except in so far as officials are concerned, and in their case, the tax recovered, or abatements allowed by Collectors, has always, up to this time, been checked by this department on the examination of the accounts submitted by them as treasury officers, and by reference to the receipts of the Insurance Societies, which were declared, in Section 135 of the Income-tax Act XXXII. of 1860 and No. 91 of the summary of constructions of that Act, to be the documents which were to guide officers in making refunds.

No. 226.

ORDER THEREON, 16th January 1871, No. 110.

Miscellaneous.

THE Government observe that the only authority for allowing abatement of Income-tax, assessed under Act XVI.

of 1870, is derived from the Rules prescribed by the Governor-General in Council, under date 24th March 1869, which are declared applicable *mutatis mutandis*, and with certain specified exception to the present Act, in the Resolution of the Government of India in the Financial Department, dated 8th April 1870, No. 2,471.

2. Section 8 of Act XVI. of 1870 provides that the tax, assessed on the salaries of Government officials, shall be deducted "at the time of payment by the Examiner of Claims or other proper officer," and Rule IV. of the Rules, prescribed on 24th March 1869, directs that applicants for abatements on account of Life Insurance premiums, etc., shall address "the Examiner of Claims or other officer whose duty it is to deduct the tax from his salary; and on proving to the satisfaction of *that officer* the amount of any payment made on account of such insurance, he will be "entitled to a refund of the tax on such payment," provided it does not exceed ten per cent. of the full salary.

*Proceedings of the Madras Government; Revenue Department,
16th January 1871.*

3. It seems, therefore, unquestionable that as Collectors deduct the tax from the salaries of officials paid from their treasuries, the abatements allowed by them under the foregoing Rule are not open to revision by the Accountant-General.

4. Cases may be readily imagined (as for instance, when the Insurance premiums are paid in England, and the receipts are retained there as vouchers, either by the Agent making the payment or by the parties interested in the reversion) in which the receipts could not be produced in this country, and yet satisfactory evidence may be adduced to the Collector to warrant him in allowing the abatement.

5. The Government cannot doubt that this duty is performed with due regard to the requirements of the case.

(True Extract.)

(Signed)

W. HUDLESTON,

Secretary to Government.

To the Accountant-General,
the Board of Revenue.

Pros of the Madras Government.

Under date the 16th day 1871

Read the following
letter from the Accountant
General

Subm. for orders of Govt. a case
of objection made by the Dy. Acct.
General, against Mr. O. B. Irvine,
on account of abatement of Income
provides that the tax imposed

H.E. 5 December 1870, No 264.

on the salaries of Govt. officials

shall be deducted "at the

time of payment by the

Examiner of Claims or other

proper officer," and Rule 14

of the Rules prescribed on

24th March 1869 directs that

Govt. of 11871 Madras

REVENUE.

To

THE ACCOUNTANT-GENERAL,

&c., &c., &c.

Dated January 16th.

Recd.

By.

G. O., 16th January 1871, No. 110.

JANUARY.

Nos. 225-226.

Abatement of Income-tax on premia paid to
Insurance Company.—Letter from Accountant-
General on this subject, with orders thereon.

1869 which are declared applica-
ble "mutatis mutandis" and
with certain specified exceptions
to the present Act; in the Reso-
lution of the Govt of India
in the Financial Dept. dated
8. April 1870, No 2471.

2. Section 8 of Act 16 of 1870

Tax on premia paid to an
Insurance Company.

The Govt. is

the only authority for
abatement of Income
under Act 16 of 1870,
from the Rules pre-

J. D. S.

N. A.

applicants for abatements on
account of Life Insurance
premiums &c shall address
"the Examiner of Claims or
" other officer whose duty it
" is to deduct the tax from his
" salary; and on proving to
" the satisfaction of that officer
" the amount of any payment
" made on account of such
" insurance he will be en-
" titled to a refund of the
" tax on such payment."
" provided it does not exceed
100 per cent of the full

3. It seems therefore unquestionable that as collectors deduct the tax from the salaries & officials paid from their treasuries, the abatements allowed by them under the foregoing rule are not open to revision by the Accountant General.

4. Cases may be readily imagined (as for instance when the Insurance premiums are paid in England and the receipts are retained there as vouchers either by the

9 or by the parties interested in the revision) in which the receipts could not be produced in this country, and yet satisfactory evidence may be adduced to the Collector to warrant him in allowing the abatement.

5. The Govt cannot doubt that this duty is performed with due regard to the requirements of the case. - L.B.

6. L. B. Chett Genl Secy 17
to the Board of Revenue. N

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1841
Objection against
abolition of Slavery
Lyon, printer paid to
Lyon, by Mr. B. Linn