

12

*Proceedings of the Madras Government, Revenue Department,
6th October 1871.*

No. 65. Read the following Proceedings of the Board of Revenue, dated 23rd September 1871, No. 4,085 :—

Read the following letter from the Officiating Collector of Madras, to the Acting Secretary to the Board of Revenue, dated 5th September 1871, No. 150.

Act No. XII. of 1871 (Income-tax Act 1871) in my opinion clearly lays down in Section 27 that assessment shall be made upon the full amount of a person's income during the *preceding year*.

2. This being the case, how are most of the Madras Firms now to be taxed, who have almost all *lost* heavily during last year. They made their returns last year before the war broke out and paid the full assessment, but instead of profits they had nothing but losses; I have the honour to request the opinion of the Board on this point.

THE Board concur in the Collector's opinion that under Section 27, Act XII. of 1871, the assessment *must* be made on the preceding year's income.

2. Reading this Section with Section 23 and other portions of the Act, the Board can come to no other conclusion than that the Legislature intended that it should be so.

3. In the cases cited by the Collector there can be no tax where the income of the past year is returned as *nil*.

No. 66. ORDER THEREON, 6th October 1871, No. 1,748.

Miscellaneous.

APPROVED.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.

Ed. F. R. Bantleman.

No. 3158

Rev. 1871. Sept
Board of Revenue,
MADRAS.

PROCEEDINGS, 23RD SEPTEMBER 1871, No. 4,085.

Sept 29 Sept 171 Encl.

Received. 2^d Oct

14.5.1871. D.O. 2.8.71. Recd. on 11 Oct 71

SEPTEMBER.
No. 4,085.

cler.
Income-tax.—Concurrence expressed in opinion of Collector of Madras that under Section 27, Act XII of 1871, Income-tax assessments must be made on preceding year's income.—The officer informed that in case of Madras Firms no tax can be imposed where income of past year is returned as nil.

No. 65-66

c. 2 Oct 71. 16 Oct.

No. 1748
Approved: L.B.
A. J. S.
6 Oct 71