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Proceedings of the Madras Government, Revenue Department,
27th April 1871.

No. 303. Read the following letter from the Officiating Secretary to the Government of India, Financial Department, (Separate Revenue—Assessed Taxes,) to the Secretary to the Government of Fort Saint George, dated Fort William, 5th April 1871, No. 2,068 :—

I AM directed to invite the attention of the Government of Fort Saint George to the second clause of Section 22 of the Indian Income-tax Act, 1871.

2. The clause runs as follows :—

"The local Government may, with the sanction of the Governor-General in Council, prescribe, for the whole or any part of the territories subject to such local Government, special rules for the assessment of incomes derived from land, at an amount bearing a fixed proportion to the revenue assessed thereon."

3. The questions to which the clause refers have already been the subject of discussion between the Government of India and the various local Governments, and I am directed to say that the Government of India will be prepared to assent to any rules which may be framed under this Section for the *prima facie* estimation of incomes, derived from land paying revenue direct to Government, at an amount not less than the revenue assessed upon such lands.

4. It should be distinctly laid down in the rules so framed that the plan of estimating income upon the basis of assessment to land-revenue is not to be regarded as an absolute rule, but only as a convenient method of making a fair estimate in ordinary cases, without the necessity for detailed inquiries. The local Government will, of course, not apply any system of assessment such as proposed to districts where it would not, as a general rule, operate fairly both to Government and to the assessee. But even in the districts where such rules are applied, the Collectors should understand that they should not apply a rule of calculation intended only for ordinary cases, to cases where they have reason to believe that, for special reasons, the calculation would give a result wide of the truth.

5. It should also be made clear that it is perfectly open to an assessee to object if the income estimated in the manner laid down by such rules is more than the amount on which he ought, apart from the rules, to be assessed.

6. It will be possible for the local Government, in any place where it applies any such rule of assessment, to prescribe that no inquiries at all should be made in ordinary cases regarding income derived from lands paying less than a specified amount of revenue, namely, the amount which would give the income derived from the lands at the minimum of Rs. 750. But even here, it should be left open to the Collector to make inquiries in any case where he may have reason to believe that special circumstances remove the case from the rule. Also, it would plainly be necessary to make assessments of incomes from land falling below the minimum, where there are other sources of income which, added to the first mentioned, would raise the total to Rs. 750 or more.

*Summary of Revenue
for the District of
North Arcot
1871*

Colt. of 1871

REVENUE.

THE BOARD OF REVENUE,

Ac, Ac, Ac.

Dated April 28th.

Recd.

Encl.

G. O. C. to the Secretary, No. 754.

FILE.
Nos. 306-315.

Survey of certain districts.—Correspondence from the Board of Revenue, Director of Revenue Settlement and Superintendent of Revenue Survey on this subject, with orders thereon.

*7/12/80
1/11/81
14-2-82
Further Cr 980/73*

No 306-315

*Proceedings of the Madras Government, Revenue Department,
27th April 1871.*

No. 304.

ORDER THEREON, 27th April 1871, No. 752.

Miscellaneous.

ORDERED that the following Draft Rules be forwarded for the assent of the Supreme Government:—

Rules under Section 22, Act XII. of 1871.

The Right Honourable the Governor in Council, with the assent of His Excellency the Governor-General in Council, prescribes the following rules for the assessment to Income-tax of incomes derived from land under Section 22, Act XII. of 1871.

For the purposes of this Act, it is to be assumed, as a general rule, that the net income or profits derived by the landholder from land temporarily settled is equal to the amount at which such land is assessed to the land-revenue, provided always that Collectors shall be at liberty to estimate such income or profits at a higher rate, when they have good ground to believe that the equivalent above assumed is materially below the truth, and similarly that the landholder shall be entitled to show, if he be able, that the assumed profits under the general rule are in excess of the truth.

Tahsildars exercising the powers of Collectors under the Act, and enhancing their estimate of profits from land in any case above an amount corresponding with the land-assessment, shall report every such case for the confirmation of the divisional officer before proceeding to levy the Income-tax on the higher estimate of profits.

Officers making assessments of Income-tax will abstain from instituting any inquiries whatever in cases of landholders paying less than Rs. 750 yearly to Government on account of their land, unless they have evidence to show that the individual concerned has income from other sources raising his total yearly income above Rs. 750, the portion derived from land being estimated as equal to the assessment on the land.

The foregoing rules will be applied to minor Inams, their land-assessment value being estimated according to the prevailing rate of assessment on adjoining Malguzari land of like quality and position; but Inams consisting of an entire village or of larger extent, and all permanently settled estates will be dealt with under the ordinary rules prescribed by the Act for assessing incomes.

(True Extract.)

(Signed)

D. F. CARMICHAEL,

Acting Secretary to Government.

Exd. F. R. Bantleman.

REVENUE DEPARTMENT,
FORT SAINT GEORGE,
27th April 1871.

No. 305.

No. 753.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Miscellaneous.

SIR,—With reference to the letter from your department, dated 5th instant, No. 2,068, and in continuation of Mr.

Secretary Hudleston's letter of 19th idem, No. 706, I am directed to forward, for the assent of His Excellency the Governor-General in Council, the Draft Rules embodied in the Proceedings of this Government, of this date, No. 752, for the assessment to Income-tax of incomes derived from land, under Section 22, Act XII. of 1871.

I have the honour to be,

Sir,

Your most obedient servant.

(Signed)

D. F. CARMICHAEL,

Acting Secretary to Government.

Exd. F. R. Bantleman.

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No. 2068.
GOVERNMENT OF INDIA.
FINANCIAL DEPARTMENT.
SEPARATE REVENUE.
Assessed Taxes

To

The Secretary to the Government of Fort St. George

FORT WILLIAM, the 5th April 1871.

SIR,

I am directed to invite the attention of the *Government of India* to the second clause of Section 22 of the Indian Income Tax Act, 1871.

2. The clause runs as follows:—

(The Local Government may, with the sanction of the Governor General in Council, prescribe, for the whole or part of the territories subject to such Local Government, special rules for the assessment of incomes derived from land at an amount bearing a fixed proportion to the revenue assessed thereon.)

3. The questions to which the clause refers have already been the subject of discussion between the Government of India and the various local Governments, and I am directed to say that the Government of India will be prepared to assent to any rules which may be framed under this Section for the *prima facie* estimation of incomes, derived from land paying revenue direct to the Government, at an amount not less than the revenue assessed upon such lands.

4. It should be distinctly laid down in the rules so framed that the plan of estimating income upon the basis of assessment to land revenue is not to be regarded as an absolute rule, but only as a convenient method of making a fair estimate, in ordinary cases, without the necessity for detailed enquiries. The local Government will of course not apply any system of assessment such as proposed to districts where it would not, as a general rule, operate fairly both to Government and to the assessee. But even in the districts where such rules are applied, the Collectors should understand that they should not apply the rule of calculation intended only for ordinary cases, to cases where they have reason to believe that, for special reasons, the calculation would give a result wide of the truth.

5. It should also be made clear that it is perfectly open to an assessee to object if the income estimated in the manner laid down by such rules is more than the amount on which he ought, apart from the rules, to be assessed.

6. It will be possible for the local Government, in any place where it applies any such rule of assessment, to prescribe that no enquiries at all should be made in ordinary cases regarding income derived from lands paying less than a specified amount of revenue, namely, the amount which would give the income derived from the lands at the minimum of Rs. 750. But even here, it could be left open to the Collector to make enquiries in any case where he has reason to believe that special circumstances remove the case from the rule. Also, it would plainly be necessary to make assessments of incomes from land falling below the minimum, where there are other sources of income which, added to the first mentioned, would raise the total to Rs. 750 or more.

I have the honor to be,

SIR,

Your most obedient Servant,

R. B. CHAPMAN,

Offg. Secretary to the Government of India.

W. L. Smith
Under Secretary to the Government of India.

Revenue 1871

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GOVERNMENT OF INDIA.
FINANCIAL DEPARTMENT
SEPARATE REVENUE
Assessed Taxes.

Revenue Dept.
Sd/-
Pros of the Madras Govt.

Under date the 27th April 1871

Read the following
letter from the Under Secretary
to Govt of India, Ind. Dept.

Calling attention to the 2^d
clause of Sec. 22 of the Indian
Tax Act of 1871 with reference to
question of estimating incomes
derived from land pay revenue
direct to Govt.

on 5th April 1871. No 752

Ordered that the following
draft rules be forwarded
for the assent of the Supreme
Govt. — Rules under
Sec. 22. Act 17 of 1871.
The Right Honble the

Governor in Council, with
the assent of the Governor
General

N.
A.
J. D.

Calling attention to
clause of Sec. 22 of the
Indian Tax Act of 1871
with reference to question of
incomes derived from
land pay revenue direct to Govt.
Sd/- 752. 27 April

General Council prescribes
the following rules for the
assessment of Income Tax
of incomes derived from land
under section 22 Act 22 of 1891.
For the purpose of this
Act, it is to be assumed as
a general rule that the
net income or profits derived
by the landholder from
land temporarily settled
is equal to the amount
at which such land is
assessed to the Land
Revenue, provided always
that collectors shall be
at liberty to estimate such
income

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income or profits at a
higher rate, when they have
good ground to believe that
the equivalent above a pound
is materially below the
truth, and particularly
that the landholder shall
be entitled to show if he
be able that the assumed
profits under the general
rule are in excess of the
truth
Zamildars exercising
the powers of collectors under
the Act, and enhancing
their estimate of profits
from land in any case
above

above an amount corresponding
with the land assessment
shall report every
such case for the confirmation
of the divisional officer
before proceeding to levy
the Income tax on the
higher estimate of profits.
Officers making assessments
of Income tax will
abstain from instituting
any enquiries whatever
in cases of landholders
paying less than Rs. 750
yearly to Govt. on account
of their land, unless

11y
they have evidence to show
that the individual concerned
has income from
other sources previous to
total yearly income above
Rs. 50, the portion derived
from land being estimated
as equal to the assessment
on the land.
The foregoing rules
will be applied to Minor
Inams, their Land assessment
value being
estimated according
to the prevailing rate
of assessment on adjoining

Madguzari land of the
 quality and position, but
 names consisting of a
 entire village or of larger
 extent, and all permanently
 settled estates will be
 dealt with under the
 ordinary rules prescribed
 by the Act for assessing
 income, and the
 same will be assessed
 and the same will be
 paid when the
 same is required
 and the same will be
 paid when the
 same is required
 and the same will be
 paid when the
 same is required

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27th Apr 1871.

753.

The Secy to the Govt of India
 Financial Dept.
 Sir,

137

22 Act XII of 1871. -

In
 the presence of

Or

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Madagascar...
 quality...
 names...
 interior villages...

No 303-304

*Rule for Assessment to
 Income tax of Income
 derived from Land in
 Sec 22 Act XII of 1871*

*...
 ...
 ...*

7th of August 1871

27th Apr 1871.
 No 753. 157

To
 The Secy to the Govt of India
 Financial Dept.
 Sir,

We reference to
 the letter from your
 Dept dated 5 inst No 2060
 and in continuation of
 Mr. Secy. Audleston's
 letter of 19 idem No 706,
 I am dir^d to forward,
 for the assent of His
 Ex^y the Gov^r Genl in
 Council the Draft Rules
 embodied in the Prop^s
 of this Govt of the date
 No. , for the assess-
 ment to Income tax
 of Income, derived from
 land, under Section
 22 Act XII of 1871.

*...
 ...*

Dr

...

...

17 756

*Proceedings of the Madras Government, Revenue Department,
28th April 1871.*

No. 316. Read the following endorsement of the Officiating Under-Secretary to the Government of India, (Home Department—Revenue,) dated Fort William, 31st March 1871, No. 175 :—

Read the following Proceedings of the Government of India, Financial Department, dated 21st March 1871, No. 1,637.

READ again Financial Resolution, No. 2,969, dated the 10th October 1867, sanctioning the transfer from the Civil to the Public Works estimates the provision to meet charges for petty irrigation works.

Read an endorsement from the Home Department, No. 86, dated 20th February 1871, forwarding, for consideration and orders, a statement of increases of establishment sanctioned by the Government of Madras during the month of November 1870 as shown in the margin; the first to be met from savings under the provision for District Postal Establishments, and the second from savings effected by the discontinuance of the Vissanapetta Estate Establishment.

(1.) District Postal Establishment, Nellore.	
1 Peon	Rs. 5
2 Runners, at 5 Rs.	10
Total...	15
(2.) Sub-Magistrate of Nuzid Division for collecting water-rate in Zemindari and Inam lands.	
1 Inspector	Rs. 20
1 Gumasta	15
1 Shroff	10
2 Peons, at 6 Rs.	12
Total...	57

RESOLUTION.—The Governor-General in Council confirms the sanction of the Government of Madras, with the remark that the charge on account of the second of the two establishments specified above is, under Financial Resolution of 10th October 1867, debitable to the Public Works allotment.

ORDER.—Ordered that a copy of this Resolution be sent to the Home and Public Works Departments and to the Accountant-General, Madras.

(Signed) R. H. HOLLINGBERRY,
Asst. Secy. to the Govt. of India.

COPY forwarded to the Government of Madras, with reference to its letter, No. 206, dated the 31st January last.

(By Order.)

(Signed) W. W. HUNTER,
Offg. Under-Secy. to the Govt. of India.

No. 317. ORDER THEREON, 28th April 1871, No. 755.

Miscellaneous.

COMMUNICATED to the Board of Revenue, with reference to the Orders of Government, dated 5th and 21st November 1870, Nos. 1,714 and 1,820.

26-4-5011
1871-4-5011
26-4-5011

Govt. of 1871
REVENUE.

Dated April 27th

G. O., 27th April 1871, No. 752.

APRIL.
Nos. 303-304.

Incomes derived from land paying revenue direct to Government.—Draft Rates for assessing them to Income-tax, ordered to be forwarded to Government of India for assent.