M.R.O. 14—40,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 67 Press ~~Mis.~~

331-332

Dated 24—1— 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 24th January 1861.

No. 331. Read the following letter from W. HUDLESTON, Esq., Acting Secretary to the Board of Revenue, to J. D. SIM, Esq., Acting Secretary to Government, Revenue Department, dated 8th January 1861, No. 91:—

In Cons. 7th January 1861, No 104.

SIR,

1. In reply to the Proceedings of Government, dated 5th January 1861, No. 24, Revenue Department, communicating the reply of the Supreme Government to the reference made regarding the liability of Ryots to be charged with Income tax on their profits from land when less than Rupees 200, if possessed of other income, making their total income from land and other sources equal to, or more than Rupees 200, I am desired by the Board to state that they have already called the attention of Collectors to the Ruling on the Bombay reference to which the Supreme Government refer as an answer to the reference from this Presidency, but that this Ruling has been interpreted by them to decide merely that all incomes from land without regard to their amount, shall be taken into account in determining the question of a person's *liability to be taxed* at all, and whether at 2 or 4 per cent. and not as deciding that the portion of such incomes which may be derived from land of less than Rupees 200, should itself be charged with the tax.

2. The letter of the Ruling in the Board's opinion fairly bears this interpretation, and this principle of partial exemption on account of particular items of income, which yet are taken into account in determining how the balance of income shall be treated, has been recognised in several other cases, and appears perfectly reasonable.

3. The question is one of so much importance where Ryotwary land tenure exists, and its decision is likely to have so wide an application on a class already bearing the main burden of taxation in this Presidency, that the Board beg leave to suggest that, if the Government see reason to doubt the correctness of the Board's interpretation of the Ruling in question, a further reference be made to Calcutta for more explicit instructions.

No. 332. ORDER THEREON, 24th January 1861, No. 167.

1. The Government have already addressed the Supreme Government on this subject and a copy of the letter will now be furnished to the Board.

2. Until further orders the Board will merely enjoin Collectors to warn their Assessors not to serve notices on Ryotwary land-holders unless there is good reason to believe that their income brings them within the scope of the Act.

(Signed) J. D. BOURDILLON,
Secretary to Government.