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M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 337	Press ~~Mis.~~
157-158	
Dated 12-2-	1861.

Not to be folded or roughly handled

No. 157. Read the following letter from W. J. RAYNOR, Esq., Officiating Civil Auditor, to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras 21st January 1861, No. 27:—

SIR,

1. I have the honor to submit the following case connected with the Income Tax:—

2. Mr. T. B. Longley, a Mechanical Engineer, sent out to India by the Home Authorities to superintend and take charge of the erection of a Steam Tug Vessel for the Paumbem Passage Service, on a salary of £25 per mensem, a moiety of which is payable to his family in England, claims exemption from the Income Tax, as follows:—

(1.) Entire exemption on the ground that he is a Marine Officer, and not liable to the tax.

(2.) If this be inadmissible, he still claims exemption for the period he was on boardship during his passage out.

(3.) He further claims exemption for the moiety of salary paid to his family in England, from which, he states, Income Tax is deducted there.

My remarks are given half marginally.

(1.) Mr. Longley is under the orders of the Chief Engineer (Public Works Department). His Covenant does *not* specify his liability* to serve at sea, nor is he now so employed, and his claim is barred by the construction of the Government of India dated 14th December 1860, No. 145, published at page 2,681, of the "Calcutta Gazette" of that year.

* Where such liability is specified, I have exempted the parties concerned.

(2.) His being at sea was incidental to his passage, and cannot be regarded as actual service at sea. Allowances falling due during the passage of an Officer are not exempt from tax as a rule.

(3.) The full salary is debitable to India, and the payment in part, made in England, is in reality a family remittance, upon which *English* Income Tax is, I presume, levied. The practice of this Office in all similar cases is to levy the tax on the gross amount.

It was held in a recent case† that Income Tax was leviable on the gross amount of salary passed to an Officer on his return to India, irrespective of English Income Tax paid on advance (recoverable in this country) received by him at Home.

† G. O. 19th November 1860, No. 2,177, Rev. Dept.

3. Mr. Longley does not appear to me to be entitled to exemption on any of the points above noticed; but in order to remove all doubt I beg to be favored with an expression of the views of Government on the subject.

No. 158. ORDER THEREON, 12th February 1861, No. 337.

The Civil Auditor is correct in the view which he has taken of Mr. T. B. Longley's claim to exemption from Income Tax. As to the first and second grounds adduced, there is nothing whatever in Mr. Longley's Covenant constituting him a Marine Officer; and the Government have already decided‡ on a claim similar to the third, that, though a portion of a salary may be paid in England, for the convenience of the party, the whole is payable in India, and must therefore be considered to be liable to Income Tax.

‡ *G. O. 17th September* 1860, *No.* 1,621, *Revenue Department.*

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

the case now under ... tion differs some... Payable in India, and

№ 337

Proceedings of the Madras Government
Under date the 12th February 1861.

Read the following letter from the Civil Auditor

Submitting for the orders of Govt the claim of Mr T. B. Longley, Mechanical Engineer, to exemption from Income Tax

Here enter 21 January for No. 27.

The Civil Auditor is correct in the view which he has taken of Mr T. B. Longley's claim to exemption from Income Tax. As to the first and second grounds adduced there is nothing whatever in Mr Longley's Covenant constituting him a Marine Officer; and the Govt have already decided on a similar claim to the third, that, though a portion of a salary may be paid in England, for the convenience of the party, the whole is payable in India, and

* G.O. 17 Sept. 1860. No. 1621. R.D.

* Note. The case now under consideration differs somewhat from that of Mr

Herrald, referred to in the order quoted above. Mr Longley's covenant provides that a moiety of his salary shall be paid in England to his wife. Mr Herrald does not. Such being the case, it may be a question whether the whole of Mr Longley's salary can be said to be payable in India

CJM

not. It seems to me that the whole salary or the greatest part of it in England is only a remuneration & not Mr Longley's compensation for which certainly he cannot rightly claim at any time

must therefore be considered to be liable to Income Tax.

CJM

10 Copies to the
Chief Rep. Office
3 — Civil Auditor

Revenue 1861 Departt.
Gro: of Govt. for February.

No. 337.

Gro: of the Madras
Government.

Dd 12th February 1861.

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Mr. Longley's claim to
Exemption from Income
Tax -

On the liability
of Mr. L. D. Longley's
claim to Income tax.

from Collector Tanjore
R No. 2992 Dt 6/12/60
(5th Dec. No 357)

No 5/4158.