

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	887	Press ~~MIS~~
⁴⁴⁻⁴⁵ Dated	2-4-	1869 ~~12~~

Not to be folded or roughly handled

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12/2/1

*Proceedings of the Madras Government, Revenue Department,
2nd April 1869.*

No. 44. Read the following Circular letter from the Government of India in the Financial Department, (Separate Revenue—Assessed Taxes), dated Fort William, 23rd March 1869, No. 1,771:—

In framing rules for working the new Income-tax Act, the Governor General in Council has refrained from prescribing any rule by which profits from land paying revenue to Government may be estimated with reference to the amount of such revenue. The Government of India is, however, of opinion that in many parts of India the amount of land revenue may be fairly taken as a basis for the assessment of the profits of those persons who hold the land directly from Government.

2. Under the Income-tax Act of 1860 such profits, in the case of lands temporarily settled, were assumed at one-third of the land revenue. This was notoriously favorable to the land-owners concerned. The Government of India believes that in the North-Western Provinces, Oudh, the Punjab, and the Central Provinces the profits of persons holding land direct from Government under a temporary settlement may fairly be assumed to be equal to the land revenue payable by them.

3. In the temporarily settled districts under the Government of Bengal, and possibly in the permanently settled districts, to such estates as have within the last few years been re-settled, a similar rule might be applicable. But it is obvious that in the greater part of Bengal the land revenue now bears no such relation to the profits of an estate, that any rule for determining the profits could be laid down with reference to the land revenue. In such estates, therefore, the assessment must be made on the best estimate that can be formed of the actual outturn.

4. In the Bombay and Madras Presidencies it may be possible to prescribe some rule similar to that above suggested for the North-Western Provinces, etc. Any such rule would be very advantageous as affording to the tax-payers concerned an element of certainty as to the amount of tax to which they are *prima facie* liable. Of course, it would in all cases remain open to any person to object, under Section 19 of the Act, to an assessment made under such a rule.

5. The cases will be comparatively rare of non-proprietary cultivators whose profits for the year amount to Rupees 500 or upwards; but it may perhaps be possible to prescribe some rule by which the profits of such persons may be estimated with reference to the amount of the rent paid by them.

6. The Governor General in Council would be glad if each Government or Administration would, as early as possible, report whether they are of opinion that any rules, founded on the above principles, can be applied in the Provinces under their control; and if so, what rules they would propose.

(Signed) G. H. M. BATTEN,
Under Secretary to the Government of India.

*Proceedings of the Madras Government, Revenue Department,
2nd April 1869.*

No. 45.

ORDER THEREON, 2nd April 1869, No. 887.

Miscellaneous.

FORWARDED to the Board of Revenue,
who will be good enough to submit
their views on the question under dis-
cussion in the foregoing letter, not later than the 20th instant.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.

Ed. F. R. Bantleman.

Govt. of 1869 *Madras*.

REVENUE.

THE BOARD OF REVENUE.

Dated April, 2nd.

Recd.

G. O., 2nd April 1869, No. 887.

APRIL.

Nos. 44-45.

*Income Tax on profits from land paying
revenue to Government.—Board of Revenue to
report on the question of prescribing rules for its
levy.*

*To Board of Revenue
21/21 April 1869 C No. 1293*

887

Forwarded to the Board of Revenue who
will be good enough to submit their views in
the question under discussion in the foregoing
letter not later than the 20 inst.

11 Copies to Mr. R. D. W. 3