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MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 727 Press ~~Mis~~

461.462

Dated 27-3-1867.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
27th March 1867.

No. 461. Read the following Proceedings of the Madras Government in the Financial Department :—

Forwarding copy of a letter from Government of India Transmitting, with instructions, copy of a Bill for a License Tax on Trades and Professions, together with the Objects and Reasons. } (Here enter 21st March 1867, No. 136.)

No. 462. ORDER THEREON, 27th March 1867, No. 729.

Miscellaneous.

Communicated to the Board of Revenue, who will call on the Collectors of Districts to report on the working of the Act after it has been in force for six months, and submit the reports for the consideration of Government with their own remarks.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue, with Proceedings Financial Department, No. 136.

Exd. S. T. Augustin.

BILL FOR THE LICENSING OF TRADES AND PROFESSIONS.

Statement of Objects and Reasons.

The increase of expenditure being in excess of the growth of income, it has become necessary to resort to additional taxation.

A License Tax on Professions and Trades has frequently been under the consideration of the Government, and in 1859 and in 1861 measures of this description were prepared by the Council for making Laws and Regulations; but the former Bill was superseded by the Income Tax of the following year, and in consequence of an unexpected improvement in the revenue, the Act of 1861 was repealed after it had been partially put in execution.

It is proposed by the present Bill to impose a moderate duty on the exercise of Professions and Trades. The Bill applies to civil servants whose annual receipts are not less than Rs. 1,000 and to Military Officers whose pay and allowances are not less than Rs. 6,000 per annum. The assessment is divided into five classes, framed according to a graduated scale of profits rising from Rs. 200 to Rs. 10,000. Joint Stock Companies are placed in a separate class. The assessment is based on a fixed charge of two per cent. on the minimum profits of each class. Thus the highest payment will be two per cent., but the average incidence of the duty will necessarily be considerably less.

The proceeds of the Tax will, during the first year, be credited to the revenues of India. In the following year, and so long as the Act shall continue in force, it is intended that the proceeds of the Tax shall be credited to Local Revenues; a moderate proportion of expenditure on objects of a local character now charged to the revenues of India being thenceforward transferred to Local Funds.

18*th February* 1867.

W. N. MASSEY.

5TH MARCH 1867.

A BILL

FOR THE

LICENSING OF PROFESSIONS AND TRADES.

WHEREAS it is expedient to provide for the licensing of professions and trades exercised in British India, and to impose a tax on the grant of such licenses; it is hereby enacted as follows:—

Preamble.

PRELIMINARY.

Interpretation clause.

1. In this Act, unless there be something repugnant in the subject or context,

"British India" means the territories which are or may be vested in Her Majesty or Her Successors by the State, 21 and 22 Vic. Cap. 106 (*An Act for the better Government of India*), other than the Settlement of Prince of Wales' Island, Singapore, and Malacca.

"Person" includes any trading Company, Association, or body of persons, whether incorporated or not, and whether the principal place of business of such Company, Association or body of persons be situate in British India or not.

"Magistrate" means any person exercising the powers of a Magistrate, or of a Subordinate Magistrate of the first class, and includes a Magistrate of Police and a Justice of the Peace;

Words in the singular number include the plural and *vice versâ*. Words denoting the masculine gender include females;

Local Government.

And in every part of British India in which this Act shall operate, Local Government shall mean the person authorised by law to administer Executive Government in such part, and shall include a Chief Commissioner and the Commissioner in Sind.

Saving of other laws relating to licenses or taxes.

2. Nothing in this Act shall be construed to affect the provisions of any other law relating to licenses or taxes.

3. Nothing in this Act shall be deemed to apply to—

Act not to apply to certain Officers, of the Army and Police, nor to cultivators of land,

(1) Officers of Her Majesty's Forces or of Her Majesty's Indian Forces, whose pay and allowances do not exceed Rs. 6,000 per annum, and who shall not be in Civil employment other than employment in the Police:

(2) Non-Commissioned Officers and Privates of either of the said Forces, and who shall not be in Civil employment other than employment in the Police:

(3) Officers of any Police Force whose pay and allowances shall be less than the pay and allowances of a Captain of Infantry in Her Majesty's Forces in India:

9. Every person to whom any such license shall have been granted and who shall desire to continue to exercise his profession or trade after the expiration thereof, shall take out a fresh license for that purpose for the following year, to expire on the day appointed in the last preceding Section, and shall renew the same so long as he shall desire to continue to exercise such profession or trade.

Renewal of license.

10. The Collector shall from time to time determine under which of the classes mentioned in Schedule A to this Act annexed every person to whom a license may be granted by him as aforesaid shall be assessed.

Collector to determine class under which licensee is to be assessed.

LIST OF LICENSEES.

11. As soon as may be after the first day of May 1867 and the first day of April in every subsequent year, the Collector shall prepare a list of the persons licensed under this Act in the District or place aforesaid. Such list shall state—

Collector to prepare annual list of licensees.

(1) the profession or trade of each of the persons therein named:
(2) the class under which he is assessed; and
(3) the sum paid for his license.

Such list shall be filed in the Office of the Collector, and shall be open to public inspection at all reasonable times, without the payment of any fee.

12. Any person named in such list and objecting to the class under which he is assessed, shall be at liberty, within thirty days after the filing of the said list, to apply by petition to the Collector in order to establish his right to have his name transferred to another class or altogether removed from the list. The petition shall bear a stamp of eight annas: it shall be in the form contained in Schedule B to this Act annexed, or as near thereto as circumstances will admit; and the statements therein contained shall be verified by the petitioner or some other competent person in manner required by law for the verification of plaints.

Objection to list.

Petition of objector.

13. The Collector shall fix a day for the hearing of the petition, and, on the day so fixed, shall hear such petition and pass such order thereupon as to him shall seem fit. Any person dissatisfied with such order may, within fifteen days from the date thereof, present an appeal in writing to the Commissioner of Revenue of the Division, whose decision upon such appeal shall be final. Every appeal preferred under this Section shall bear a stamp of one rupee, and shall be accompanied by a copy of the petition, the Collector's order thereon and all other documents (if any) connected with the case.

Hearing of petition.

Appeal from order on petition.

14. The Collector or Commissioner may summon any person whom he shall think able to give evidence for the purpose of enabling him to determine under which of the said classes the petitioner should be assessed, and may examine on oath or affirmation the person so summoned and the petitioner, and may require each of them to produce any documents in his possession or power relating to the petitioner or to the amount of the annual profits accruing from his profession or trade. In Sections 193 and 228 of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Power to summon persons to give necessary information.

Sections 193 and 228 of Penal Code to apply to proceedings under this Act.

PENALTIES.

15. If after the said 1st day of May 1867 any person shall exercise his profession or trade without having taken out a license as required by this Act, he shall be liable, on conviction before a Magistrate, to a penalty not exceeding five times the amount which in the judgment of the Magistrate would have been payable by such person in respect of a license duly taken out as aforesaid.

Penalty for carrying on business without a license.

16. Every person required by this Act to take out a license, who shall without reasonable excuse neglect or refuse to produce and shew his license when required so to do by an Officer generally or specially empowered in writing by the Collector to make such requisition, shall, on conviction before a Magistrate, be liable to a penalty not exceeding one hundred Rupees.

License to be produced on demand.

17. All penalties imposed under this Act may be recovered, if for offences committed outside the local limits of the Towns of Calcutta, Madras, or Bombay, in the manner prescribed by the Code of Criminal Procedure, and if for offences committed within those limits, in the manner prescribed by any Act regulating the Police of such towns in force for the time being.

Mode of recovering penalties.

18. Every offence under this Act shall be deemed to be an 'offence' within the meaning of the Indian Penal Code.

Offences under this Act to be deemed offences under the Penal Code.

MISCELLANEOUS.

19. Every person holding any paid office, employment or commission under Her Majesty or under the Government of India, other than the persons exempted under Section 3 or by order under Section 4 of this Act, shall be deemed to exercise a profession within the meaning of this Act; provided that he shall not be required to take out a license under this Act; and the sum which but for this provision he would have paid for a license shall be deducted from his pay on the 1st day of June 1867 and on the 1st day of April in every subsequent year by the Examiner of Claims or other proper Officer and shall be deemed to be a tax raised under this Act.

Provision as to Government Officials.

20. All taxes raised and penalties recovered under this Act shall be paid to the credit of the Government of India, or as such Government shall from time to time direct.

Amount of taxes raised and penalties recovered under this Act.

21. All or any of the powers and duties conferred and imposed by this Act on a Collector and a Commissioner of Revenue, or any of such powers or duties, may be exercised and performed by such other Officers as the Local Government shall from time to time appoint in this behalf. Every person shall be legally bound to furnish information to any Officer so appointed when required by him to do so.

Powers of Collector and Commissioner under this Act may be exercised by other Officers.

22. The Local Government may, from time to time, with the previous sanction of the Governor General of India in Council, make rules for the guidance of Officers in matters connected with the enforcement of this Act, provided that such rules are not inconsistent with any of the provisions herein contained.

Local Government empowered to make rules.

SCHEDULE A.

LICENSE ON PROFESSIONS AND TRADES.

	Rs.
CLASS I.	
Every Company whose stock or funds is or are divided into shares and transferable, with a paid up capital exceeding ten lakhs or £100,000...	2,000
Every such Company with a paid up capital exceeding five lakhs or £50,000 and not exceeding ten lakhs or £100,000	1,000
Every other such Company duly registered, which in the half-year next preceding the date of its license shall have paid a dividend at or above the rate of five per cent. per annum and whose profits for the year preceding such date shall have exceeded Rs. 100,000	500
CLASS II.	
Persons whose annual profits shall be assessed at Rs. 10,000 and upwards ...	200
CLASS III.	
Persons whose annual profits shall be assessed at Rs. 5,000, or at more than Rs. 5,000 and less than Rs. 10,000	100
CLASS IV.	
Persons whose annual profits shall be assessed at Rs. 1,000, or at more than Rs. 1,000 and less than Rs. 5,000	20
CLASS V.	
Persons whose annual profits shall be assessed at Rs. 500 or at more than Rs. 500 and less than Rs. 1,000	10
CLASS VI.	
Persons whose annual profits shall be assessed at Rs. 200, or at more than Rs. 200 and less than Rs. 500	4

SCHEDULE B.

Form of Petition under Section 12.

Stamp eight annas.

TO THE COLLECTOR OF

The *day of* 186

The petition of A. B. of

SHEWETH—

1*st*.—That in the list of the persons licensed under "the Indian Licenses' Act, 1867," and filed in your Office pursuant to the 11th Section of the same Act on the day of 186 , your petitioner's name appears under the third of the classes mentioned in Schedule A to the said Act annexed, that he has been assessed in the sum of Rs. 100 for the license granted to him under such Act, and that he has paid such sum accordingly.

2*nd*.—That the profits of your petitioner's profession [*or* trade] of [*here state petitioner's profession or trade*] for the year ending the 31st day of March last were Rs. [*less than Rs.* 5,000 *and more than Rs.* 1,000], as will appear from the documents marked presented herewith, and to which your petitioner craves leave to refer.

Your petitioner therefore prays that you will remove his name from the third to the fourth of the said classes, that he may be assessed accordingly, and that the excess of Rs. 80 so paid by him may be refunded.

(Signed) A. B.

Form of Verification.

I, A. B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A. B.

Proceedings of the Madras Government, Financial Department,
21st March 1867.

No. 63. Read the following letter from the Secretary to the Government of India, to the Chief Secretary to Government, Fort Saint George; dated Fort William, 6th March 1867, No. 1211.

The Governor General in Council has resolved that certain charges of a purely local character now borne by the Revenues of India, together with any further charge of a similar character, shall in future, as a general rule, be provided for from local resources.

2. I am to forward, for the information of His Excellency the Governor, the accompanying Bill for a License Tax on Trades and Professions, together with the Objects and Reasons, which will shortly be presented by the Financial Member to the Council for making Laws and Regulations.

3. His Excellency is requested to watch the operation of the new system of taxation which will be thus introduced, and from time to time to report his observations upon its working, together with any suggestions for its improvement, either generally or with special reference to the Provinces and Districts under his administration, which he may think proper for the consideration of the Governor General in Council.

4. The proceeds of this Tax will, in the first year of its incidence, be credited to the Revenues of India; and in the following year the proceeds will be credited to Local Revenue; and a moderate proportion of expenditure on objects of a strictly Local character, now charged to the Revenues of India, will thenceforward be transferred to Local Funds.

No. 64. ORDER THEREON, 21st March 1867, No. 136.

Ordered that a copy of the foregoing letter be furnished to the Accountant General, and to the Revenue Department.

(True Extract).

Chief Secretary.

To the Accountant General.
,, Revenue Department.

Exd. J. Tulloch.

Rev = 1867 - Despatch
No of Duties for March
No. 775.

Proceedings in the
Jamaica Despatch

Dated 21st March
Received 28th " 1867.
No. 136.

Forwarding copy of a letter from Govt of Jamaica transmitting certain Resolutions, copy of a Bill for a License Tax on Traders and Professions together with the Objects and Reasons.-

No. 729 - 27th March

No. 729.

Comm'd to the Bd of Rev. Would call their attention to the working of the Act after it has been in force for six months, and submit the reports for the consideration of Govt. with their remarks

27th March 67.

No. 729

W

No. 461 & 462

No. 729 Rec'd with Desp. No. 136 Dated 27th