Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 198

DATED 14 Jany 1897

[Despatch Abstract.]

Recording B.P. conveying to all Collectors, for information & guidance, notes of Inspection by the Acting Third Member of the Board, of the Income-tax registers & records of certain Assessing officers in the Malabar Dt.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

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Revenue (1897) Department.

CURRENT No.

SECY. GOVT. MADRAS
7 JAN 97
REV. DEPT.

~~The Hon'ble Mr Bliss C.S.I.~~

S.M

From the Secretary to the Commissioner of Salt, Abkari and Separate Revenue Madras

Order Misc No. 1980 of 14 January 1897.

Recorded.

Press No. 489

Dated 5th December 1896

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Enclosures

Spare copies

SUBJECT

Communicating to all Collectors, for information and guidance, notes of inspection by the Acting Third Member of the Board of Revenue of the Income-tax registers and records of certain assessing officers in the Malabar District

9.1.97

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BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

PROCEEDINGS OF THE BOARD OF REVENUE

(SEPARATE REVENUE).

RESOLUTION—No. 489, dated 5th December 1896.

The following notes of inspection by the Acting Third Member of the Board of Revenue of the Income-tax registers and records of the assessing officers in the Malabar district noted in the margin will be communicated to all Collectors for information and guidance.

	Date of inspection.
Collector's office	23rd Nov. 1896.
Head-quarters Deputy Collector's office ...	24th do.
Tahsildar's office, Calicut ...	25th do.

2. *Collector's Office.*—The following are the final assessments made by the Collector under Part IV since the introduction of the Act:—

Years.	Final demand. Number of assessees.	Final demand. Amount of tax.
		RS.
1886–87	14	5,811
1887–88	21	7,338
1888–89	16	7,111
1889–90	13	7,339
1890–91	14	6,012
1891–92	13	5,520
1892–93	16	11,276
1893–94	13	13,897
1894–95	14	11,066
1895–96	24	16,495

The decrease in the final demand for 1894–95 is ascribed to poor trade and consequent diminution of the profits of the mercantile firms on the Coast. The increase in the final demand for 1895–96 is ascribed to improvement in trade and consequent increase in the number of assessees.

3. *Registers and Assessments for* 1895–96—(*a*) *Register No.* 1—(i) *Columns* 8 *and* 13.—The income from each source has not been separately shown throughout. This should be done as far as possible in future.

(ii) *Columns* 17 *and* 19.—In some cases the date on which the first instalment falls due has been reckoned as 61 instead of 60 days from the date of service of the 'H' form notice. In cases in which objection petitions have been presented and disposed of both the instalments were fixed for the same date unnecessarily. The concession of allowing the tax to be paid in two instalments has been done away with or reduced within very narrow limits by a sufficient interval not being allowed between the date on which the first instalment fell due and that of the final instalment. In one case columns 17 and 19 have been left blank, and in another case the dates fixed for payment of the instalments have not been shown.

(iii) *Columns* 23 *to* 35.—In some cases the tax has been collected long after the due dates. Demand notices do not appear to have been issued promptly.

(*b*) *Register No.* 2.—This register is not in the prescribed form. A column showing the date and manner of communication of the decision in person or by post should have been opened before the column of remarks. There were twelve objection petitions. In four cases the tax amounting to Rs. 1,354 was wholly remitted; in six cases the tax was reduced by Rs. 1,824, and in the remaining two cases the tax was confirmed.

(i) *Objection No.* 2.—The objector claimed a reduction of income from Rupees 40,000 to Rs. 20,749 *minus* Rs. 7,065 on account of deductions. He kept his accounts in Guzerati and they consequently could not be checked with the abstract prepared by him which was therefore accepted. This was hardly sufficient. If a man keeps his accounts in an unknown language, it is no reason why they should escape scrutiny.

The Collector has been authorised in G.O., No. 186, dated 17th January 1895, to incur expenditure up to a limit of Rs. 20 for examining Guzerati accounts.

(ii) *Objection No.* 3.—In this case a deduction of Rs. 25 claimed on account of municipal tax has been disallowed by the Collector. It is not, however, clear from the records whether the amount represents professional tax, or tax on buildings let for rent. If the latter, the deduction should have been allowed.

(iii) In a few cases objection petitions bear eight-anna instead of one-anna court-fee stamps. In some cases the stamps affixed to objection petitions and vakalats produced by objectors have not been punched.

(*c*) *Register No.* 1-*A*.—Only one company has been assessed and shown in this register.

(*d*) *Register No.* 5.—There were 29 revision petitions and all have been disposed of. In one case the copy of the order on the objection petition presented with the revision petition has not been stamped. In several cases copies of orders on objection petitions bear eight-anna instead of one-anna court-fee labels. In most cases the stamps affixed to revision petitions, &c., have been clipped by the hand. This is irregular. They should invariably be punched.

4. *Head-quarters Deputy Collector's Office.*—The Deputy Collector besides assessing incomes between Rs. 2,000 and Rs. 10,000 in the Calicut taluk assesses incomes between Rs. 500 and Rs. 2,000 in the Calicut Municipality. The Collector is requested to explain why this special arrangement for the Calicut Municipality is necessary. The following are the final assessments made by the Deputy Collector since 1887-88 when he was first appointed to assess:—

Years.	Final demand.	
	Number of assessees.	Amount of tax.
		Rs.
1887-88	249	7,415
1888-89	292	8,158
1889-90	281	7,614
1890-91	295	8,033
1891-92	297	8,385
1892-93	312	8,990
1893-94	308	9,113
1894-95	308	9,960
1895-96	316	11,099
1896-97 (up to date)	152	5,434

5. *Registers and Assessments for* 1895-96—(*a*) *Register No.* 1.—This register is very well kept on the whole. Assessments take place somewhat late which the Deputy Collector explains to be due to the business season not commencing until after the monsoon. Collection should be commenced earlier. The balance at the end of the official year was too large.

(i) *Columns* 17 *and* 19.—The date on which the first instalment falls due has, in some cases, been taken as 31 instead of 30 days from the probable date of communication of the orders on the objection petitions. The second instalment has, in some cases, been fixed before the 1st October. This is irregular. It can never fall due before that date—*vide* rule 11 of the rules printed on page 3 of Board's Proceedings, No. 41, dated 3rd February 1894.

(ii) '*K*' *Form Notices.*—It is observed that the alterations ordered by the Board in this form regarding the admissibility of deductions on account of Municipal taxes and quit-rent have not been carried out in the forms served on the assessees, and it is possible that they have failed to claim the deductions through ignorance of the rule. A notification on the subject should be published in the District Gazette.

(iii) *Column* 18.—Demand notices have not been issued promptly always. There was a delay of nearly three months in some cases.

(iv) *Collections.*—Out of a total demand of Rs. 11,099 only Rs. 8,366 were collected within the year.

(*b*) *Register No.* 2.—The register is not in the prescribed form. Eighty-three objection petitions were presented during the year. In twelve cases involving Rs. 543 the tax was wholly remitted; in fourteen cases the tax was reduced by Rs. 323, and in the remaining 57 cases the tax was confirmed.

(i) *Objection No.* 1.—In this case the petitioner was taxed on an income of Rs. 550 under Part IV as detailed in the margin. The assessment of salary under Part IV is erroneous. It should have been taxed under Part I as the total income exceeded Rs. 500 and the other income under interest should have been exempted as it was less than Rs. 500 by itself—*vide* paragraph 2 (*d*) of the Government of India (Financial Department) letter No. 810, dated 20th May 1886, communicated in Board's Proceedings, No. 1719, dated 30th July 1886, and G.O., No. 776, Revenue, dated 6th September 1886, communicated in Board's Proceedings, No. 2148, dated 28th September 1886.

	Rs.
Pay	450
Interest	100
Total ...	550

(ii) The decisions on objection petitions are full and clear and are based on satisfactory grounds.

(iii) In several cases the stamps affixed to the objection petitions and the records filed with them have been clipped by the hand. They should invariably be punched.

(*c*) *Register No.* 5.—There were seven revision petitions and all have been disposed of. In four cases the tax amounting to Rs. 40 was wholly remitted; in two cases the tax was reduced by Rs. 30, and in one case the tax was confirmed. The decisions passed on revision petitions appear satisfactory.

(*d*) *Income-tax Manual.*—Some rulings only have been noted in the Manual. The book should be brought up to date.

(*e*) *Confidential Note-book.*—There are three volumes of this book and the Deputy Collector has made useful notes.

6. *Tahsildar's Office, Calicut.*—The following are the final assessments made by the Tahsildar since the introduction of the Act:—

Years.	Final demand.	
	Number of assessees.	Amount of tax.
		Rs.
1886-87	35	461
1887-88	51	598
1888-89	46	530
1889-90	58	665
1890-91	52	600
1891-92	53	640
1892-93	51	677
1893-94	53	682
1894-95	60	825
1895-96	70	875
1896-97 (up to date)	68	893

7. *Registers and Assessments for* 1896-97—(*a*) *Register No.* 1—(i) *Column* 13.—The small number of cases in which profits on general trade are assessed appears curious. The Collector's attention is drawn to the subject. Probably the peculiar circumstances of the West Coast account for it.

(ii) *Column* 17.—The date on which the first instalment falls due has been reckoned as 58 instead of 60 days from the date of service of the 'G' form notice. The date of service and the date on which the instalment falls due should be excluded in calculating the period. Similarly in cases in which objection petitions have been

presented and disposed of, the date on which the first instalment falls due has been taken as 28 instead of 30 days from the date of communication of the order on the objection petition. The date on which the second instalment falls due has, in several cases, been fixed before the 1st October. This is incorrect as pointed out in the concluding portion of paragraph 5 (*a*) (i) *supra*.

	RS.
Salary as Kariasta	300
Other income as Kariasta	100
Interest	150
House-rent	30
Total ...	580

(iii) *Assessee No.* 30. — This assessee was taxed under Part IV on an income of Rs. 580, as detailed in the margin. The remarks made in paragraph 5 (*b*) (i) *supra* apply here also.

(iv) *Columns* 18 *and* 20.—Demand notices were issued in most cases as the taxes were not paid on the due dates but no penalty was levied as should have been done.

(*b*) *Register No.* 2.—(i) This register is not in the prescribed form. A column showing the date and manner of communication of the decision on the objection petition should have been opened before the column of remarks.

(ii) There were twenty objection petitions and all but four have been disposed of. In six cases, the tax amounting to Rs. 70 was wholly remitted; in one case the tax was reduced from Rs. 15 to 10; in one case the tax was enhanced from Rs. 20 to Rs 28, and in the remaining eight cases the tax was confirmed. The decisions on objection petitions are full and clear and are based on satisfactory grounds.

(*c*) *Register No.* 4.—This register has been maintained properly. The tax has not been regularly collected in some cases but reminders are reported to have been sent.

(*d*) *Income-tax Manual.*—Only very few of the rulings have been noted in the book. It should be brought up to date.

(*e*) *Confidential Note-book.*—The note-book contains useful information regarding the assessees in the various villages gathered from local enquiries.

(*f*) On the whole, the Tahsildar's Income-tax work seems carefully and promptly done. The assessments were completed by September and nearly two-thirds of the final demand has been collected. All but four of the objection petitions have been disposed of, and even in these pending cases enquiries have been made.

(True Extract.)

(Signed) N. S. BRODIE,
Acting Secretary.

(True Copy.)

Assistant Secretary.

To all Collectors.

Copy to the Secretary to Government, Revenue Department.

Exd. A. F. Eccleston.

REVENUE DEPARTMENT.

1896.

Board of Revenue

(Separate Revenue),

MADRAS.

Sent to

Printed January th, 1897.

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Communicating to all Collectors, for information and guidance, notes of inspection by the Acting Third Member of the Board of Revenue of the Income-tax registers and records of certain assessing officers in the Malabar district.

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