

Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 2396

DATED 12th May 97

26/5/97

[Despatch Abstract.]

Laying down the procedure to be adopted when refunds of income tax are made on account of wrong assessment.

BACK PAPERS.

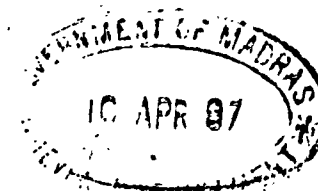
G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	21/4/97	716 72-2-78					

Revenue (1897) Department.

CURRENT No. 3130



The Hon. Mr Bliss C.S.R.

From the Secretary to the Com-
missions, Salt, alkali and
Separate Revenue

Ins No. 1354

Order wise

Recorded with
an expression of con-
currence in the Board's
memo.

17/4/97.

Dated 3rd April 1897

Received 10-4-97

Registered 12-4-97

Enclosures

Spare copies

SUBJECT.

Note. In para 3 of B.P. S.R. 1898 dated 11-Feb-1897
the words "this procedure" apparently would seem
to refer to the refund of the sale proceeds in the
circumstances stated. The Board now explains
that the inclusion of such refunds in a statement
of unaccounted areas was what they referred to.
They consider such inclusion objectionable and
that entries of such refunds should be reported
separately for orders.

The Board of Rev. Dep. Res.

Note

The point as put in
para 3 of the B.P. in G.O. 1600
was it is submitted not at all clear.
The Board considers
that the inclusion of such
amounts as are recommended
to be refunded to the parties
in a statement of unaccounted
areas of Income Tax
was improper and that they
should be reported separately
for orders.

21.4.97
26/4/97

R

to the W. proposal int-
since the figures have yet
which the proposal was to
have come on the demand
there must be some mistake
unless the written off. The
refund of the 20th proceeds
is a matter which the W.
can deal with in his own
authority.

12/4/87

anyway, the W. should deal with such
matters up to front. I don't see why they should come
BS
20/4/87

BACK PAPERS.

G.O.	No.	Department.	Date.
"	1488	Rev	18-3-97

FURTHER PAPERS.

G.O.	No.	Department.	Date.



Proceedings of the Board of Revenue

(Separate Revenue.)

Dated 3rd April 1897.
His No. 1354

Read Government Order his no 1488 Revenue, dated 18th March 1897.

Resolution

With reference to para 2 of the Government Order read above, the Board begs to state that it considers the inclusion of amounts improperly collected and recommended to be refunded to the parties in a statement of irrecoverable arrears is objectionable. The Board is of opinion that all such cases should be reported separately for orders
(True Extract)

Communicated
Assistant Secretary

To the Secretary, Government Revenue Department

7-4-97

C. No. 3130

From The Commr of S. A. & L. R.

Dated

189 .

Hon. Mr. Rogers C. L.

FOR ORDERS.

With reference to the
remark on page 11 of H
I submit that the question
which the Board raise
is as follows

Certain collectors
were of opinion that certain
individuals were wrongly
taxed under Act II of 1886.
Apparently the cases were
not such as came within
the collector's power as
assessing officer or as
revising officer. They
were cases where either the
parties concerned had not
objected or the tax had
been finally confirmed.
Under the Act Govt only
has the power to cancel
the assessment in such
cases. The collector in

The point is that Govt
alone can cancel an Income
Tax act: which has not
been set aside either on
objection or revision.

I don't see why Govt. can't
confer on the collector the power
of allowing or disallowing with respect
to all officers subordinate to it.
However, with it any way you
please don't in
future, please, send
me papers when there is

R. C. 5/5/97

question having found out
 that the taxes were improper
 factually included them
 in a statement of irrecoverable
 arrears ~~for which~~ the writing of
 which the sanction of
 Govt was requested. At the
 same time, as a portion
 of these taxes had been
 recovered by process, sanctioning
 for refunding the sale proceeds
 was ~~at the~~ requested. In
 short Govt was asked in
 indirect way to cancel
 the assessments made.
 The Board, I submit, very
 properly state that
 such cases should be
 separately reported for
 order and not ^(at the time) included
 in a statement of
 irrecoverable arrears.
 Under the Act however
 such cases must come
 up to Govt.

With regard to the
 question of accounts, once
 Govt has cancelled the
 assessment the amount
 of the tax uncollected will be

FOR ORDERS.

and can be no
 question as to the
 order which should
 be passed & when the
 amount involved is
 trifling

H.
 7/5/97

This information has been
 furnished from the Bengal
 Collection Office
 1/5
 4.5.57

UP

+ From Refunds
 + Drawbacks

included under the head
 of irrecoverable arrears;
 the sale proceeds will be
 refunded by the Collector
 under the authority of
 the Govt. cancelling the
 assessment and the
 amount collected will
 be treated as income collection

2396 Revenue
 12/5/97

11/5/97
 11/5/97

68

arrear.
The H. M. remarks that such cases should be dealt with by the Board.

with the
It is submitted that, in
such cases, for those who
irrecoverable arrears, the
amount must have come
into the final demand
i.e. demand as finally settled
after objection revision or
Court's order.
Consequently after the time
for objection revision is past
P.F.O

When Ex^r has cancelled
the acct. it is better and
of the Demand & the amount
Owing to Ex^r. Any sum
which have been in properly
collected ^{by} it the Ex^r.
Can refund of his own authority
For example. Suppose 1000.
When assessed ^{of} a man
who is not liable to it.
The Com. finds out the mistake
& refers it to Ex^r ^{who} ~~and~~
~~the Com.~~ cancels the acct.
The Demand is then reduced
by 1000 & with it goes a
like sum of money. but suppose
that meanwhile 600 of the
assessed was collected by process
This sum will be refunded
by the Com. in the usual way.

11575287

Appt for the Under Secy.

With reference to the Under Secy's query in the accompanying slip, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of Sec 27 of the Income Tax Act. In that Section it is stated that subject to the control of the Local Board the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income Tax Collector and under that Section therefore both the Board and the Commissioner of the Division (the ^{District} Collector or the Divisional Officer as the case may be) have power to sanction refunds if the Commr. of the Division happens to be a Divisional Officer and issues wrong orders on appeal, ~~then~~ there ~~is~~ ^{is} no appeal ^{therefrom}.

his orders to the Collector ^{or to the Board} of the District and the Court is the only authority that can (under the Sec above quoted) interfere in the matter and order refunds.

2. In the case of Salaries however both the Acct General and Collectors of Districts have the power to sanction refunds in certain cases (vide para 3 of the Board's Standing orders Revised Edn no 23) and rule 5 of the Circular Instructions issued by the Acct General, page 89 of the Income Tax Manual).

3. For the reasons stated above it is submitted ^{that} the Board cannot deal with such matters and the Govt has no power under the Act to delegate its special powers to the Board. It may however be mentioned here that during the past year only (the line) the subject was transferred to the Under Secy.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

13
G.O. 1488
18.5.57
Recd C. 3130

Key
- 15 fro.

Dr 12/11/57

G.O. No. 2396 of 12th May 57.

Government understands that in the cases referred to by the Board ~~and~~ ^{in which} the assessments, though deemed improper, have not been set aside either on objection or revision. Government agrees with the Board that all such cases should be reported separately for order.

2. Where the assessment has been set aside on objection or revision, the sanction of Government is not necessary ^{to} for the

refund of any portion
of the tax collected
by process or otherwise.

10.5.97
11/15/97
10P.

It is submitted that
H.M.s remarks require
no further action.

No.
11/15/97

The Govt is called on
to exercise cancel the
assessments by virtue
of the act. giving Govt.
control over the Comm.

The Bd has the power of
a Comm over all
Officers subordinate to it.
The act does not permit
of Govt delegating to the
Board its (the Govt's) powers
under the act.

10.5.97

17-5-97

10/10
29.12.97

You confirmed him two
things which the Govt.
Adm. Unit. (1) Refund of
the tax collected (2)

Cancellation of the act:
Govt. can also can order
1. The Govt. can order
2. under the Standing order

11/15/97

only only one case for
refund of ^{the} tax has been sub-
mitted by the Board for the
orders of Govt. (The paper
is now in circ.) The draft
order already put up may
it is submitted in the above
circumstances be issued.

The question is whether this:-
where a man has been
taxed & has not objected
but it is subsequently
found that he was
wrongly taxed, who can
order the refund?

Apparently only Govt.
I can find nothing in the
act authorising anybody
else.

The cases referred to
the Board are apparently
of this nature. It is certain
that Govt & only Govt
can order refund after
the tax has been finally
confirmed by the Comm.
or that D.O. or C.M. or B.D.

10/10
29.12.97

When given for copying _____
 When copied _____
 When examined _____
 When signed _____

189

READ AGAIN G.O., No. _____
 189

CURRENT No. _____

ENCLOSURES TO G. No. _____

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
 IN ORIGINAL.

N.B.—
 A = Copy in full.
 B = Not to be copied.
 P = Copy abstract only.
 Q = Copy heading only

Government of Madras.

REVENUE DEPARTMENT.

MISCELLANEOUS.

Recd.

Regd.

1911.

Enclosures

Spare copies

G.O., No. 2396, 12th May 1897.

Refunds of income-tax.

Laying down the procedure to be adopted when — are made on account of wrong assessment.

24.10.11

3.2.14

Government of Madras.

REVENUE DEPARTMENT.

MISCELLANEOUS.

Recd.

Enclosures

Regd.

1911.

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G.O., No. 2396, 12th May 1897.

Refunds of income-tax.

Laying down the procedure to be adopted when — are made on account of wrong assessment.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following papers:—

I

G.O., Mis. No. 1488, Revenue, dated 18th March 1897.

ABSTRACT.—According sanction for writing off the accounts the irrecoverable arrears of income-tax revenue amounting to Rs. 5,051 outstanding at the close of the year 1895-96, and requesting the Board of Revenue to report the nature of the doubt felt in regard to the procedure of refunding the sale-proceeds of their property to the assesses who should not have been taxed at all.

II

Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 1354, dated 3rd April 1897.

Read—the following paper:—

G.O., Mis. No. 1488, Revenue, dated 18th March 1897.

Resolution—Mis. No. 1354, dated 3rd April 1897.

With reference to paragraph 2 of the Government Order read above, the Board begs to state that it considers the inclusion of amounts improperly collected and recommended to be refunded to the parties in a statement of irrecoverable arrears is objectionable. The Board is of opinion that all such cases should be reported separately for orders.

(True Extract.)

EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.

Order—No. 2396, Revenue, dated 12th May 1897.

Miscellaneous.

Government understands that in the cases referred to by the Board the assessments, though deemed improper, have not been set aside either on objection or revision. Government agrees with the Board that all such cases should be reported separately for orders.

2. When the assessment has been set aside on objection or revision the sanction of Government is not necessary to the refund of any portion of the tax collected by process or otherwise.

(True Extract.)

G. STOKES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Government of Madras.

REVENUE DEPARTMENT.

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(True Extract.)

G. STOKES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

REVENUE DEPARTMENT.

NOTES TO G.O., Mis. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—*Refunds of income-tax.*]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

To Under Secretary—

A draft order is submitted for approval.

P.N.M.
21-4-97.

To Secretary—

In paragraph 3 of Board's Proceedings (Separate Revenue), No. 53, dated 11th February 1897, the words "this procedure" would seem to refer to the refund of the sale-proceeds in the circumstances stated. The Board now explains that the inclusion of such refunds in a statement of irrecoverable arrears was what they referred to. They consider such inclusion objectionable and that cases of such refunds should be reported separately for orders.

N. E. MARJORIBANKS.
21-4-97.

To the Hon'ble Mr. Bliss, C.I.E.—

There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

H. B. [Liss].
26-4-97.

G. STOKES.
22-4-97.

Narayana Menon—

Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

N. E. MARJORIBANKS.
28-4-97.

To Under Secretary—

With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section, therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

P.N.M.
29-4-97.

To Secretary—

The Board in reporting for sanction to write off certain irrecoverable arrears of income-tax pointed out that a certain portion of the sum consisted of sale-proceeds realised in levying tax which ought not to have been levied. They therefore at the same time recommended the refund of the sale-proceeds to the parties concerned, but remarked that the procedure was of doubtful regularity. In reply to a reference from Government the Board explained that such cases should be separately reported, in their opinion, and not included in a statement of irrecoverable arrears.

The Honourable Member remarks that such cases should be dealt with by the Board.

It is submitted that, in such cases, for these to be irrecoverable arrears, the amount must have come into the final demand, *i.e.*, demand as finally settled after objection and revision or after the time for objection and revision is past. Government only can order the cancellation of an assessment made and the refund of a tax finally settled by the Commissioner, be he Divisional Officer, Collector or Board.

Therefore whether the wrong nature of the assessments was ascertained after the final decision under the Act or after the time for objection and revision had past, these cases must, I submit, come to Government if the assessment is to be cancelled.

After Government have cancelled the assessment and ordered the refund, the amounts may find place in the irrecoverable statement, the order of Government cancelling the assessment being the authority for their inclusion.

G.S.
5-5-97.

When Government have cancelled the assessment, it is taken out of the demand and the arrear ceases to exist. Any sums which have been improperly collected against it the Collector can refund of his own authority. For example, suppose Rs. 10 to have been assessed against a man who is not liable to it. The Collector finds out the mistake and reports it to Government who cancel the assessment. The demand is then reduced by Rs. 10 and with it goes a like sum of arrears. But suppose that meanwhile Rs. 6 of the amount was collected by process; this sum will be refunded by the Collector in the usual way.

In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

You confound here two things which should be kept distinct. (1) Refund of the sum collected; (2) cancellation of the assessment. Government alone can order (2). The Collector can order (1) under the Standing Order.

G. S[TORES].
5-5-97.

Apparently only Government. I can find nothing in the Act authorising anybody else.

The cases referred to by the Board are apparently of this nature. It is certain that Government and only Government can order refund after the tax has been finally confirmed by the Commissioner, be that Divisional Officer or Collector or Board.

N. E. MARJORIBANKS.
29-4-97.

With reference to the Honourable Member's remark, dated 26th April 1897, I submit that the question which the Board raises is as follows:—

Certain Collectors were of opinion that certain individuals were wrongly taxed under Act II of 1886. Apparently the cases were not such as came within the Collectors' powers as assessing officer or as revising officer, *i.e.*, they were cases where either the parties concerned had not objected or the tax had been finally confirmed. Under the Act Government only have the power to cancel the assessment in such cases. The Collectors in question having found out that the taxes were improper included them in a statement of irrecoverable arrears for the writing off of which the sanction of Government was requested. At the same time, as a portion of their taxes had been recovered by process, sanction for refunding the sale-proceeds was requested. In short, Government were asked in indirect way to cancel the assessments made. The Board, I submit, very properly states that such cases should be separately reported for orders and not (at the outset) included in a statement of irrecoverable arrears. Under the Act, however, such cases must come up to Government.

H. B[LISS].
7-5-97.

With regard to the question of accounts, once Government have cancelled the assessment the amount of the tax uncollected will be included under the head of irrecoverable arrears; the sale-proceeds will be refunded * by the Collector under the authority of the Government Order cancelling the assessment and the amount collected will be treated as excess collections.

N. E. MARJORIBANKS.
5-5-97.

To the Honourable Member—

G. STOKES.
5-5-97.

To Secretary—

A draft order is submitted.

No.

G. STOKES.
11-5-97.2. It is submitted that the Honourable
Member's remarks require no further
action. The Government is called on to

cancel the assessments by virtue of the Act giving Government control over the Commissioner.
The Board has the powers of a Commissioner over all officers subordinate to it. The Act
does not permit of Government delegating to the Board its (the Government's) powers
under the Act.

N. E. MARJORIBANKS.

10-5-97.

[G.O., Mis. No. 2396, Revenue, dated 12th May 1897.]

Government of Madras.

REVENUE DEPARTMENT.

MISCELLANEOUS.

Recd.

Regd.

1911.

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Refunds of income-tax.

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(True Extract.)

EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.

Order—No. 2396, Revenue, dated 12th May 1897.

Miscellaneous.

Government understands that in the cases referred to by the Board the assessments, though deemed improper, have not been set aside either on objection or revision. Government agrees with the Board that all such cases should be reported separately for orders.

2. When the assessment has been set aside on objection or revision the sanction of Government is not necessary to the refund of any portion of the tax collected by process or otherwise.

(True Extract.)

G. STOKES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

REVENUE DEPARTMENT.

NOTES TO G.O., Mis. No. 2396, REVENUE, DATED 12TH MAY 1897.

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There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

H. B[LISS].
26-4-97.

G. STOKES.
22-4-97.

Narayana Menon—

Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

N. E. MARJORIBANKS.
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To Under Secretary—

With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

2 NOTES TO G.O., MIS. NO. 2396, REVENUE, 12TH MAY 1897.

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

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The Honourable Member remarks that such cases should be dealt with by the Board.

When Government have cancelled the assessment, it is taken out of the demand and the arrear ceases to exist. Any sums which have been improperly collected against it the Collector can refund of his own authority. For example, suppose Rs. 10 to have been assessed against a man who is not liable to it. The Collector finds out the mistake and reports it to Government who cancel the assessment. The demand is then reduced by Rs. 10 and with it goes a like sum of arrears. But suppose that meanwhile Rs. 6 of the amount was collected by process; this sum will be refunded by the Collector in the usual way.

G.S.
5-5-97.

It is submitted that, in such cases, for these to be irrecoverable arrears, the amount must have come into the final demand, *i.e.*, demand as finally settled after objection and revision or after the time for objection and revision is past. Government only can order the cancellation of an assessment made and the refund of a tax finally settled by the Commissioner, be he Divisional Officer, Collector or Board.

Therefore whether the wrong nature of the assessments was ascertained after the final decision under the Act or after the time for objection and revision had past, these cases must, I submit, come to Government if the assessment is to be cancelled.

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In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

Apparently only Government. I can find nothing in the Act authorising anybody else.

The cases referred to by the Board are apparently of this nature. It is certain that Government and only Government can order refund after the tax has been finally confirmed by the Commissioner, be that Divisional Officer or Collector or Board.

N. E. MARJORIBANKS.
29-4-97.

With reference to the Honourable Member's remark, dated 26th April 1897, I submit that the question which the Board raises is as follows:—

Certain Collectors were of opinion that certain individuals were wrongly taxed under Act II of 1886. Apparently the

The point is that Government alone can cancel an income-tax assessment which has not been set aside either on objection or revision.

G.S.
5-5-97.

I don't see why Government can't confer on the Board the powers of a Commissioner of a Division with respect to all officers subordinate to it. However settle it any way you please and don't in future, please, send me papers when there is and can be no question as to the orders which should be passed and when the amounts involved are trifling.

H. B[Liss].
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recovered by process, sanction for refunding the sale-proceeds was requested. In short, Government were asked in indirect way to cancel the assessments made. The Board, I submit, very properly states that such cases should be separately reported for orders and not (at the outset) included in a statement of irrecoverable arrears. Under the Act, however, such cases must come up to Government.

With regard to the question of accounts, once Government have cancelled the assessment the amount of the tax uncollected will be included under the head of

irrecoverable arrears; the sale-proceeds will be refunded * by the Collector under the authority of the Government Order cancelling the assessment and the amount collected will be treated as excess collections.

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To the Honourable Member—

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5-5-97.

To Secretary—

A draft order is submitted.

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2. It is submitted that the Honourable Member's remarks require no further action. The Government is called on to

cancel the assessments by virtue of the Act giving Government control over the Commissioner. The Board has the powers of a Commissioner over all officers subordinate to it. The Act does not permit of Government delegating to the Board its (the Government's) powers under the Act.

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[G.O., MIS. NO. 2396, REVENUE, DATED 12TH MAY 1897.]

Government of Madras.

REVENUE DEPARTMENT.

MISCELLANEOUS.

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READ—the following papers:—

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Read—the following paper:—

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With reference to paragraph 2 of the Government Order read above, the Board begs to state that it considers the inclusion of amounts improperly collected and recommended to be refunded to the parties in a statement of irrecoverable arrears is objectionable. The Board is of opinion that all such cases should be reported separately for orders.

(True Extract.)

EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.

Order—No. 2396, Revenue, dated 12th May 1897.

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Government understands that in the cases referred to by the Board the assessments, though deemed improper, have not been set aside either on objection or revision. Government agrees with the Board that all such cases should be reported separately for orders.

2. When the assessment has been set aside on objection or revision the sanction of Government is not necessary to the refund of any portion of the tax collected by process or otherwise.

(True Extract.)

G. STOKES,
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To the Board of Revenue (Separate Revenue).

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NOTES TO G.O., Mis. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—*Refunds of income-tax.*]

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There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

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Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

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With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

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The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

You confound here two things which should be kept distinct. (1) Refund of the sum collected; (2) cancellation of the assessment. Government alone can order (2). The Collector can order (1) under the Standing Order.

G. S[TORES].
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To the Secretary to Government, Revenue Department.

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NOTES TO G.O., Mis. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—Refunds of income-tax.]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

To Under Secretary—

A draft order is submitted for approval.

P.N.M.
21-4-97.

To Secretary—

In paragraph 3 of Board's Proceedings (Separate Revenue), No. 58, dated 11th February 1897, the words "this procedure" would seem to refer to the refund of the sale-proceeds in the circumstances stated. The Board now explains that the inclusion of such refunds in a statement of irrecoverable arrears was what they referred to. They consider such inclusion objectionable and that cases of such refunds should be reported separately for orders.

N. E. MARJORIBANKS.
21-4-97.

To the Hon'ble Mr. Bliss, C.I.E.—

There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

H. B. [Liss].
26-4-97.

G. STOKES.
22-4-97.

Narayana Menon—

Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

N. E. MARJORIBANKS.
28-4-97.

To Under Secretary—

With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

P.N.M.
29-4-97.

To Secretary—

The Board in reporting for sanction to write off certain irrecoverable arrears of income-tax pointed out that a certain portion of the sum consisted of sale-proceeds realised in levying tax which ought not to have been levied. They therefore at the same time recommended the refund of the sale-proceeds to the parties concerned, but remarked that the procedure was of doubtful regularity. In reply to a reference from Government the Board explained that such cases should be separately reported, in their opinion, and not included in a statement of irrecoverable arrears.

The Honourable Member remarks that such cases should be dealt with by the Board.

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Therefore whether the wrong nature of the assessments was ascertained after the final decision under the Act or after the time for objection and revision had past, these cases must, I submit, come to Government if the assessment is to be cancelled.

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In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

You confound here two things which should be kept distinct. (1) Refund of the sum collected; (2) cancellation of the assessment. Government alone can order (2). The Collector can order (1) under the Standing Order.

G. S. [TOKES].
5-5-97.

Apparently only Government. I can find nothing in the Act authorising anybody else.

The cases referred to by the Board are apparently of this nature. It is certain that Government and only Government can order refund after the tax has been finally confirmed by the Commissioner, be that Divisional Officer or Collector or Board.

N. E. MARJORIBANKS.
29-4-97.

With reference to the Honourable Member's remark, dated 26th April 1897, I submit that the question which the Board raises is as follows:—

Certain Collectors were of opinion that certain individuals were wrongly taxed

under Act II of 1886. Apparently the cases were not such as came within the Collectors' powers as assessing officer or as revising officer, *i.e.*, they were cases where either the parties concerned had not objected or the tax had been finally confirmed. Under the Act Government only have the power to cancel the assessment in such cases. The Collectors in question having found out that the taxes were improper included them in a statement of irrecoverable arrears for the writing off of which the sanction of Government was requested. At the same time, as a portion of their taxes had been

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The point is that Government alone can cancel an income-tax assessment which has not been set aside either on objection or revision.

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I don't see why Government can't confer on the Board the powers of a Commissioner of a Division with respect to all officers subordinate to it. However settle it any way you please and don't in future, please, send me papers when there is and can be no question as to the orders which should be passed and when the amounts involved are trifling.

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[G.O., Mis. No. 2396, Revenue, dated 12th May 1897.]

REVENUE DEPARTMENT.

NOTES TO G.O., MIS. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—Refunds of income-tax.]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

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A draft order is submitted for approval.

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In paragraph 3 of Board's Proceedings (Separate Revenue), No. 58, dated 11th February 1897, the words "this procedure" would seem to refer to the refund of the sale-proceeds in the circumstances stated. The Board now explains that the inclusion of such refunds in a statement of irrecoverable arrears was what they referred to. They consider such inclusion objectionable and that cases of such refunds should be reported separately for orders.

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There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

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Narayana Menon—

Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

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With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

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[G.O., MIS. NO. 2396, REVENUE, DATED 12TH MAY 1897.]

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Can any authority for such refunds be traced? I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

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* From Refunds and Drawbacks, irrecoverable arrears, *i.e.*, it is the authority of the Government generally is governing the collection of the tax. It is a query.

5-5-97.

NOTES TO G.O., MIS. No. 2396, REVENUE, 12TH MAY 1897.

To Secretary—

A draft order is submitted.

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G. STOKES.

11-5-97.

2. It is submitted that the Honourable Member's remarks require no further action. The Government is called on to

cancel the assessments by virtue of the Act giving Government control over the Commissioner. The Board has the powers of a Commissioner over all officers subordinate to it. The Act does not permit of Government delegating to the Board its (the Government's) powers under the Act.

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[G.O., MIS. No. 2396, Revenue, dated 12th May 1897.]

REVENUE DEPARTMENT.

NOTES TO G.O., MIS. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—Refunds of income-tax.]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

To Under Secretary—

A draft order is submitted for approval.

P.N.M.
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In paragraph 3 of Board's Proceedings (Separate Revenue), No. 53, dated 11th February 1897, the words "this procedure" would seem to refer to the refund of the sale-proceeds in the circumstances stated. The Board now explains that the inclusion of such refunds in a statement of irrecoverable arrears was what they referred to. They consider such inclusion objectionable and that cases of such refunds should be reported separately for orders.

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To the Hon'ble Mr. Bliss, C.I.E.—

There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

H. B. [LISG].
26-4-97.

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Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

N. E. MARJORIBANKS.
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With reference to the Under Secretary's query above, it is procedure in re of section 27 of

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NOTES TO G.O., MIS. No. 2396, REVENUE, 12TH MAY 1897.

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

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In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

You confound here two things which should be kept distinct. (1) Refund of the sum collected; (2) cancellation of the assessment. Government alone can order (2). The Collector can order (1) under the Standing Order.

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5-5-97.

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REVENUE DEPARTMENT.

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With reference to the Honourable Member's remark, dated 26th April 1897, I submit that the question which the Board raises is as follows:—

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[G.O., Mis. No. 2396, Revenue, dated 12th May 1897.]

REVENUE DEPARTMENT.

NOTES TO G.O., MIS. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—*Refunds of income-tax.*]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

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A draft order is submitted for approval.

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REVENUE DEPARTMENT.

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The Board in reporting for sanction to write off certain irrecoverable arrears of income-tax pointed out that a certain portion of the sum consisted of sale-proceeds realised in levying tax which ought not to have been levied. They therefore at the same time recommended the refund of the sale-proceeds to the parties concerned, but remarked that the procedure was of doubtful regularity. In reply to a reference from Government the Board explained that such cases should be separately reported, in their opinion, and not included in a statement of irrecoverable arrears.

The Honourable Member remarks that such cases should be dealt with by the Board.

It is submitted that, in such cases, for these to be irrecoverable arrears, the amount must have come into the final demand, *i.e.*, demand as finally settled after objection and revision or after the time for objection and revision is past. Government only can order the cancelment of an assessment made and the refund of a tax finally settled by the Commissioner, be he Divisional Officer, Collector or Board.

When Government have cancelled the assessment, it is taken out of the demand and the arrear ceases to exist. Any sums which have been improperly collected against it the Collector can refund of his own authority. For example, suppose Rs. 10 to have been assessed against a man who is not liable to it. The Collector finds out the mistake and reports it to Government who cancel the assessment. The demand is then reduced by Rs. 10 and with it goes a like sum of arrears. But suppose that meanwhile Rs. 6 of the amount was collected by process; this sum will be refunded by the Collector in the usual way.

G.S.
5-5-97.

Therefore whether the wrong nature of the assessments was ascertained after the final decision under the Act or after the time for objection and revision had past, these cases must, I submit, come to Government if the assessment is to be cancelled.

After Government have cancelled the assessment and ordered the refund, the amounts may find place in the irrecoverable statement, the order of Government cancelling the assessment being the authority for their inclusion.

In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

Apparently only Government. I can find nothing in the Act authorising anybody else.

The cases referred to by the Board are apparently of this nature. It is certain that Government and only Government can order refund after the tax has been finally confirmed by the Commissioner, be that Divisional Officer or Collector or Board.

N. E. MARJORIBANKS.
29-4-97.

With reference to the Honourable Member's remark, dated 26th April 1897, I submit that the question which the Board raises is as follows:—

Certain Collectors were of opinion that certain individuals were wrongly taxed under Act II of 1886. Apparently the

The point is that Government alone can cancel an income-tax assessment which has not been set aside either on objection or revision.

G.S.
5-5-97.

I don't see why Government can't confer on the Board the powers of a Commissioner of a Division with respect to all officers subordinate to it. However settle it any way you please and don't in future, please, send me papers when there is and can be no question as to the orders which should be passed and when the amounts involved are trifling.

H. B[LISS].
7-5-97.

recovered by process, sanction for refunding the sale-proceeds was requested. In short, Government were asked in indirect way to cancel the assessments made. The Board, I submit, very properly states that such cases should be separately reported for orders and not (at the outset) included in a statement of irrecoverable arrears. Under the Act, however, such cases must come up to Government.

With regard to the question of accounts, once Government have cancelled the assessment the amount of the tax uncollected will be included under the head of irrecoverable arrears; the sale-proceeds will be refunded * by the Collector under the authority of the Government Order cancelling the assessment and the amount collected will be treated as excess collections.

N. E. MARJORIBANKS.
5-5-97.

To the Honourable Member—

G. STOKES.
5-5-97.

To Secretary—

A draft order is submitted.

No.

G. STOKES.

11-5-97.

2. It is submitted that the Honourable Member's remarks require no further action. The Government is called on to

cancel the assessments by virtue of the Act giving Government control over the Commissioner. The Board has the powers of a Commissioner over all officers subordinate to it. The Act does not permit of Government delegating to the Board its (the Government's) powers under the Act.

N. E. MARJORIBANKS.

10-5-97.

[G.O., Mis. No. 2396, Revenue, dated 12th May 1897.]

Government of Madras.

REVENUE DEPARTMENT.

MISCELLANEOUS.

Recd.

Enclosures

Regd.

} 1911.

Spare copies

G.O., No. 2396, 12th May 1897.

Refunds of income-tax.

Laying down the procedure to be adopted when — are made on account of wrong assessment.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following papers:—

I

G.O., Mis. No. 1488, Revenue, dated 18th March 1897.

ABSTRACT.—According sanction for writing off the accounts the irrecoverable arrears of income-tax revenue amounting to Rs. 5,051 outstanding at the close of the year 1895-96, and requesting the Board of Revenue to report the nature of the doubt felt in regard to the procedure of refunding the sale-proceeds of their property to the assesses who should not have been taxed at all.

II

Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 1354, dated 3rd April 1897.

Read—the following paper:—

G.O., Mis. No. 1488, Revenue, dated 18th March 1897.

Resolution—Mis. No. 1354, dated 3rd April 1897.

With reference to paragraph 2 of the Government Order read above, the Board begs to state that it considers the inclusion of amounts improperly collected and recommended to be refunded to the parties in a statement of irrecoverable arrears is objectionable. The Board is of opinion that all such cases should be reported separately for orders.

(True Extract.)

EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.

Order—No. 2396, Revenue, dated 12th May 1897.

Miscellaneous.

Government understands that in the cases referred to by the Board the assessments, though deemed improper, have not been set aside either on objection or revision. Government agrees with the Board that all such cases should be reported separately for orders.

2. When the assessment has been set aside on objection or revision the sanction of Government is not necessary to the refund of any portion of the tax collected by process or otherwise.

(True Extract.)

G. STOKES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

REVENUE DEPARTMENT.

NOTES TO G.O., MIS. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—*Refunds of income-tax.*]

Proceedings of the Board of Revenue (Separate Revenue), No. 1354 Mis., dated 3rd April 1897.

To Under Secretary—

A draft order is submitted for approval.

P.N.M.
21-4-97.

To Secretary—

In paragraph 3 of Board's Proceedings (Separate Revenue), No. 58, dated 11th February 1897, the words "this procedure" would seem to refer to the refund of the sale-proceeds in the circumstances stated. The Board now explains that the inclusion of such refunds in a statement of irrecoverable arrears was what they referred to. They consider such inclusion objectionable and that cases of such refunds should be reported separately for orders.

N. E. MARJORIBANKS.
21-4-97.

To the Hon'ble Mr. Bliss, C.I.E.—

There seems to be no objection to the Board's proposal but since the sums against which the property was sold have come on the demand, there must be irrecoverable arrears to be written off. The refund of the sale-proceeds is a matter which the Collector can deal with on his own authority.

H. B. [Liss].
26-4-97.

G. STOKES.
22-4-97.

Narayana Menon—

Can any authority for such refunds be traced. I presume that if the men had been found on objection or revision to have been improperly taxed, the Collector could order refund. But these cases apparently are cases where the impropriety of the assessment has been discovered otherwise than upon the party's motion. In such cases I fancy Government alone has the power to order refund.

N. E. MARJORIBANKS.
23-4-97.

To Under Secretary—

With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the

control of the Local Government the Commissioner of the Division may on appeal modify or cancel the orders passed by the Income-tax Collector and under that section therefore both the Government and the Commissioner of the Division (the District Collector or the Divisional Officer as the case may be) have power to sanction refunds. If the Commissioner of the Division happens to be a Divisional Officer and issues wrong orders on appeal, there is no second appeal from his orders to the Collector of the District or to the Board, and the Government is the only authority that can (under the section above quoted) interfere in the matter and order refunds.

2. In the case of salaries, however, both the Accountant-General and Collectors of Districts have the power to sanction refunds in certain cases (*vide* paragraph 3 of the Board's Standing Order, Revised Edition, No. 237 and rule 5 of the Circular instructions issued by the Accountant-General, page 89 of the Income-tax Manual).

3. For the reasons stated above, it is submitted that the Board cannot deal with such matters and the Government have no power under the Act to delegate their special powers to the Board. It may, however, be mentioned here that during the past year (*i.e.*, since the subject was transferred to the Under Secretary) only one case for refund of the tax has been submitted by the Board for the orders of Government. (The paper is now in circulation.) The draft order already put up may, it is submitted, in the above circumstances be issued.

P.N.M.
29-4-97.

To Secretary—

The Board in reporting for sanction to write off certain irrecoverable arrears of income-tax pointed out that a certain portion of the sum consisted of sale-proceeds realised in levying tax which ought not to have been levied. They therefore at the same time recommended the refund of the sale-proceeds to the parties concerned, but remarked that the procedure was of doubtful regularity. In reply to a reference from Government the Board explained that such cases should be separately reported, in their opinion, and not included in a statement of irrecoverable arrears.

The Honourable Member remarks that such cases should be dealt with by the Board.

When Government have cancelled the assessment, it is taken out of the demand and the arrear ceases to exist. Any sums which have been improperly collected against it the Collector can refund of his own authority. For example, suppose Rs. 10 to have been assessed against a man who is not liable to it. The Collector finds out the mistake and reports it to Government who cancel the assessment. The demand is then reduced by Rs. 10 and with it goes a like sum of arrears. But suppose that meanwhile Rs. 6 of the amount was collected by process; this sum will be refunded by the Collector in the usual way.

G.S.
5-5-97.

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Therefore whether the wrong nature of the assessments was ascertained after the final decision under the Act or after the time for objection and revision had past, these cases must, I submit, come to Government if the assessment is to be cancelled.

After Government have cancelled the assessment and ordered the refund, the amounts may find place in the irrecoverable statement, the order of Government cancelling the assessment being the authority for their inclusion.

In the circumstances, it is submitted, the draft Government Order may issue.

The question is this:—

Where a man has been taxed and has not objected, but it is subsequently found that he was wrongly taxed, who can order the refund?

You confound here two things which should be kept distinct. (1) Refund of the sum collected; (2) cancellation of the assessment. Government alone can order (2). The Collector can order (1) under the Standing Order.

G. S[TORES].
5-5-97.

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From Refunds and Drawbacks. irrecoverable arrears; the sale-proceeds will be refunded * by the Collector under the authority of the Government Order cancelling the assessment and the amount collected will be treated as excess collections.

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[G.O., Mis. No. 2396, Revenue, dated 12th May 1897.]

Government of Madras.

REVENUE DEPARTMENT.

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(True Extract.)

EDMUND MILLETT,
Assistant Secretary.

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(True Extract.)

G. STOKES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

REVENUE DEPARTMENT.

NOTES TO G.O., MIS. No. 2396, REVENUE, DATED 12TH MAY 1897.

[SUBJECT.—Refunds of income-tax.]

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N. E. MARJORIBANKS.
28-4-97.

To Under Secretary—

With reference to the Under Secretary's query above, it is submitted that the procedure in regard to the grant of refunds generally is governed by the provisions of section 27 of the Income-tax Act. In that section it is stated that subject to the