Revenue (1897) Department.

PRESS SERIES.

G.O., No. 354

DATED 18th May 1897

[Despatch Abstract.]

Income tax.

Communicating to the Board of Revenue the decision of the Govt. of India that members of the American Baptist Mission residing in British India are liable to pay — on the portion of their salary drawn in America.

BACK PAPERS.

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

FURTHER PAPERS.

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

Revenue (1897) Department.

CURRENT No. 4113

Is the Govt. now Bliss ... ?
S.P. seen with ref to Sir W Bell's D.O. 14/5/97
Bliss again fo. 1733-34 31-3-97
also enc. 4113 of 97

P.S.
Submitted Order No. 3547 dated 15th March 1897.

Communicated to the Board of Rev: for information and guidance.
18/5/97

From The Govt of India, Fin & Com Dept

No. 2099-8.R.

Dated 10th May 1897
Received 17.5.97
Registered
Enclosures
Spare copies

SUBJECT.

Stating that persons residing in British India are liable to pay Income Tax on the portion of their Salary drawn outside British India

To
The Board of Rev Sep Rev.
" Acct General
Dft. 21-5-97

17.5.97
40/3
17.5

BACK PAPERS.

G.O.	No	Department.	Date.
—	1734	Rev	31-3-97

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No. 2099-S.R. 410

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

Simla, the 10th May 1897.

GOVERNMENT OF MADRAS
17 MAY 97

To

The Secretary to the Government of Madras,
Revenue Department.

Sir,

I am directed to acknowledge the receipt of your letter No. 1734, dated the 31st March 1897, enquiring whether the ruling in paragraph 2 of the Despatch from the Secretary of State No. 146 (Financial), dated the 3rd September 1896, under which retired pay or pension drawn in England is not liable to Indian Income Tax, should be considered to supersede the decision contained in the Resolution in this Department No. 6108, dated the 3rd December 1889.

1614
26-12-1

2. The enquiry is made with reference

to the case of members of the American Baptist Mission residing in British India who are liable, under the Resolution of 3rd December 1889, to pay Income Tax on the portion of their Salary which is drawn in America.

3. In reply I am to state that the Despatch of 3rd September 1896, which related only to retired pay or pension, does not in any way affect the orders contained in the Resolution of 3rd December 1889, which still hold good.

4. I am to add that the ruling of the Government of Madras mentioned in paragraph 2 of your letter was correct.

I have the honour to be
Sir,
Your most obedient Servant,

A. A. Gamble

Under Secy. to the Govt. of India.

Government {1897} of Madras.

REVENUE.

Recd. } 1897. Enclosures

Regd. Spare copies

G.O., No. 354, 18th May 1897.

MAY.

J

Income tax.

Communicating to the Board of Revenue the decision of the Government of India that members of the American Baptist Mission residing in British India are liable to pay — on the portion of their salary drawn in America.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

Read—again the following G.O., Mis. No. 1733, Revenue, dated 31st March 1897:—

Read—the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 758, dated 24th February 1897:—

Read—the following letter from the Collector of Gódávari, dated 1st February 1897, Ref. on C. No. 5125-Ver. of 1896:—

With reference to the resolution of the Government of India, dated 3rd December 1889, No. 6108, embodied in Board's Proceedings, No. 21, Land Revenue, dated 14th January 1890, and the Government Order contained in Board's Proceedings, No. 479, Separate Revenue, dated 1st December 1896, I have the honour to solicit the Board's early instructions whether the members of the American Baptist Mission residing in India are exempt from taxation under the Income-tax Act on so much of their salary as is paid to them in America. The salary accrues by their work in this country. Instead of receiving it here and remitting part of it to their native country at their own cost, they prefer to receive part here, and to arrange for payment of the rest in America. It is doubtful whether the orders contained in Board's Proceedings, No. 479, Separate Revenue, dated 1st December 1896, by analogy, supersede those of 1890.

Resolution—Mis. No. 758, dated 24th February 1897.

Submitted to Government.

2. In Mr. Paterson's case, Government decided that part of his salary not drawn in India was "income" under part IV and was liable to assessment (*vide* G.O., No. 154, Revenue, dated 10th February 1887). Applying the above ruling to the case submitted by the Collector of Gódávari, the portion of the salaries of the missionaries not drawn in India is liable to be assessed. But paragraph 2 of the Secretary of State's Despatch communicated in G.O., Mis. No. 4360, Revenue, dated 5th November 1896, may possibly affect this case. Orders are solicited as to whether the words "pay or pension" in the Secretary of State's despatch include "pay *actually earned* in British India or only *retired pay or pension*." It is observed that all the cases dealt with in that despatch fell under these descriptions.

(True Copy and Extract.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Collector of Gódávari.

Order—Mis. No. 1733, Revenue, dated 31st March 1897.

The question raised in the Proceedings read above will be submitted for the orders of the Government of India.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Board of Revenue (Separate Revenue).

Letter—from the Secretary to the Government of Madras, Revenue Department, to the Secretary to the Government of India, Finance and Commerce Department, dated 31st March 1897, No. 1734.

The Collector of Gódávari has raised the question whether, under the terms of the * Despatch from the Secretary of State No. 146, Financial, dated 3rd September 1896, the members of the American Baptist Mission residing in British India should be considered to be exempt from taxation under Act II of 1886, on so much of their salary as is paid to them in America for work done in this country. The despatch, it will be observed, deals only with cases of "retired pay or pension," but since the wording of paragraph † 2 would also seem to include pay actually earned in British India but drawn outside of it, I am directed to enquire how the ruling of the Secretary of State should be interpreted and whether it should be considered to supersede the instructions conveyed in the Government of India's resolution, No. 6108, dated 3rd December 1889.

* Communicated with the order of the Government of India, No. 4357-S.R., dated 13th October 1896.

† "The pay or pension being issued in this country."

2. I am to add that on a previous occasion (in February 1887) when a case similar to that now referred to came up for orders, His Excellency the Governor in Council, after consulting the Advocate-General, held that salaries accruing and arising in British India but paid elsewhere should be taxed under part IV of schedule II of the Income-tax Act.

Read—the following letter from R. A. GAMBLE, Esq., Under Secretary to the Government of India, Finance and Commerce Department, to the Secretary to the Government of Madras, Revenue Department, dated Simla, 10th May 1896, No. 2099-S.R.:—

I am directed to acknowledge the receipt of your letter, No. 1734, dated the 31st March 1897, enquiring whether the ruling in paragraph 2 of the Despatch from the Secretary of State, No. 146, Financial, dated the 3rd September 1896, under which retired pay or pension drawn in England is not liable to Indian Income-tax, should be considered to supersede the decision contained in the resolution in this Department No. 6108, dated the 3rd December 1889.

2. The enquiry is made with reference to the case of members of the American Baptist Mission residing in British India who are liable, under the resolution of 3rd December 1889, to pay income-tax on the portion of their salary which is drawn in America.

3. In reply I am to state that the Despatch of 3rd September 1896, which related only to retired pay or pension, does not in any way affect the orders, contained in the resolution of 3rd December 1889, which still hold good.

4. I am to add that the ruling of the Government of Madras mentioned in paragraph 2 of your letter was correct.