

Revenue (1897) Department.

PRESS SERIES.

G.O., No. 917

Dated 6th November

[Despatch Abstract.]

Approving, subject to certain modifications, the revised estimate of receipts for 1897-98 and the budget estimate for 1898-99 under "Income Tax" and transferring the same to the Financial Deptt.

This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf of a book. The paper has a slightly textured appearance with some minor discoloration and faint smudges, characteristic of old paper. The left edge of the page is bound, showing the stitching and the inner cover material. There is no text or other markings on the page.

Q. No.	Q. Title	Date	A. No.	No.	Page No.	Date
Mis 6247	Rev.	4.12.77				

1897.

Board of Revenue

(Separate Revenue),

MADRAS.

Printed October 12th.

Recd. 10/1/19

Proceedings, No. 422, 2nd October 1897.

OCTOBER.

Submitting to Government the revised estimate of receipts for 1897-98 and the budget estimate for 1898-99 under "Income-tax."

will refer

APPENDIX.

STATEMENT showing the Income-tax Collections under each head for eleven years, commencing from 1886-87.

Items.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
1	2	3	4	5	6	7
1. Deductions from salaries, pensions and gratuities.	RS. 2,78,026	RS. 2,81,077	RS. 2,83,433	RS. 2,85,450	RS. 2,89,021	RS. 2,95,859
2. Do. from Government securities	56,235	65,636	72,092	69,212	74,683	70,575
3. Do. from local securities	1,683	2,222	3,003	3,563	3,381	3,638
4. Ordinary collections	9,56,197	11,75,844	11,51,134	12,68,496	12,69,456	13,61,021
5. Penalties	1,466	4,124	2,438	3,429	5,930	4,923
6. Miscellaneous	..	..	11	..	43	1
Total ..	13,33,607	15,28,903	15,12,111	16,50,150	16,42,514	17,36,017

Items.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.
	8	9	10	11	12
1. Deductions from salaries, pensions and gratuities.	RS. 3,00,066	RS. 3,07,801	RS. 3,12,096	RS. 3,12,509	RS. 3,13,932
2. Do. from Government securities	70,523	74,374	81,550	69,152	70,001
3. Do. from local securities	3,532	3,414	3,422	3,522	4,209
4. Ordinary collections	14,75,131	16,71,479	18,02,458	18,38,652	20,65,753
5. Penalties	3,537	4,543	6,675	6,353	5,944
6. Miscellaneous	12	10	18	..	..
Total ..	18,52,801	20,61,621	22,05,519	22,20,188	24,59,839

Income Tax Budget (Receipts)

Read Cms 8858 of 97

Order

Shelton Sir. Henry Bliss H.C. 22

To
The Chief Secretary to Govt
Finl Dept for favour
of counter initials

The Board's estimate
are approved and will be
transferred to the Finance
Department

W.R. 28.10.97

28/10/97

Note

The Board had originally
estimated the receipts under
assessed taxes for the current
year at 24 lakhs. The F.O.
however thought that the income
was likely to affect the receipts
considerably and suggested that
they might be fixed at 22.9 lakhs.
The Hon. on the F.O. note remarks
that the arguments therein adduced
would seem to be causes which
"should improve" the condition of
the mercantile classes from whom
the collection under Part IV mainly
come" and who are inclined to
accept the Board's estimate addi-
that

C. L. 11/11/97
R. S. 11/11/97

that for safety's sake the figure might be taken as 23.5 lakhs. When passing the estimates finally, the Govt of India however took the Board's figure viz 24 lakhs. The Board now fixes the revised estimate for the current year at 25 lakhs or one lakh more than the sanctioned figure. The actuals of the past year were 24.6 lakhs as against a budget estimate of 22.9 lakhs and, in view of the gradual increase noticeable in the assessment and collection of the income tax and for the reasons already given by the Hon., the Board's revised estimate in any it is submitted be passed. The Board has fully explained how the figure has been arrived at. ^{As usual} The budget estimate for the ensuing year is fixed by the Board at the same figure as the revised estimate for the current year and may it is submitted be also approved.

In para 6 of the
 Govt Order under G.O. Misc No.
 2405 Rev. dt 23rd August 1897
 the

Page 12. Civil Budget Estimates
 for 1897-98

But the six months actuals
 are less than in 1896-97!
Civil

C

the Govt had desired that the steady annual increase in receipts under assessed taxes might be examined "so that the normal rate of development in ordinary years may be determined as approximately as possible" The Board has now furnished figures ^{for} ~~showing~~ the actual ^{receipts} ~~expenditure~~ during the past ten years and shows that no definite conclusion as to the approximate future increase in any year under the several heads can be drawn therefrom.

27.4.97

28.7.97

[Signature]

Recommendation that the year collections

Note

Judging from the steady increase in the past five years as shown below the Board's estimate ^{of 25 lakhs} for 1898-99 which is a lakh more than the estimate for the current year may be accepted:—

1896-97		24.60
1895-96		22.86
1894-95		22.06
1893-94		20.62
1892-93		18.53

It is doubtful however whether the anticipations as regards the revised estimate will be realized as the actuals of the first six months of the current year fell short of the actuals for the same period in the previous year by nearly a lakh.

— The Board apparently contemplates improved collections during the remainder of the year but in view of the fall in the six months actuals entered above the B.E. for 97.98 should not, it is

C.6 97
6-11-97

1897-98... 7.03
1896-97... 7.98

24/11/97

Submitted, be raised in the revised
which might be placed at 24
lakhs the B.E. for 1898. It
remaining at the Board figure
of 25 lakhs, the above foregoing
facts being pointed out in the
Rev. Dept. pres. on this estimate

Contd.
24 lakhs is a
safer figure for the
revised budget than
25 lakhs. 25 lakhs may
be entered for 98-99.
MA 3.11.97

except stating Read Cno. 8855 of 97 A
Levy (from order)
Order No. 917 of 6th Nov: 1897.

Print
6/11/97

The Govt observes
that the actual ^{receipts} of the
first six months of the
current year amounted only
to Rs 7.03 lakhs as against
Rs 7.98 lakhs in the previous
year and considers there-
fore that it will be safer
to ~~revert~~ fix the revised esti-
mate for 1897-98 at Rs 24
lakhs instead of 25 lakhs
proposed by the Board. The
receipts under "Ordinary
Collections" in the latter year
will accordingly be reduced
by one lakh of rupees, and
the Board's estimates as
thus modified are approved
and will be transferred to
the Fin. Dept.

To the Financial Dept
- Mr. of Rev. (Dep. Secy.)
- Secy General
17-11-97
50/5



that the
first six months
of due to the
work & down
the year collections

Government { 1897 } of Madras.
REVENUE.

Recd.

Enclosures

} 1897.

Regd.

Spare copies

G.O., No. 917, 6th November 1897.

NOVEMBER.

Budget Estimate.

Approving, subject to certain modifications, the revised estimate of receipts for 1897-98 and the — for 1898-99 under "Income-tax," and transferring the same to the Financial Department.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Proceedings of the Board of Revenue (Separate Revenue), No. 422, dated 2nd October 1897:—

Read—Revised estimates for 1897-98 and the Budget estimates for 1898-99 under VIII—Assessed Taxes.

Resolution—No. 422, dated 2nd October 1897.

Submitted to Government.

2. With reference to G.O., Mis. No. 4405, Revenue, dated 23rd August 1897, the Board begs leave to submit a statement showing the income-tax collections under each head during the eleven years that the Act has been in force. The major portion of the revenue is derived from the tax on salaries, pensions and gratuities and from ordinary collections from companies and private individuals. The revenue under the former head varies with the establishments employed and has been almost stationary for the last three years. Prior to that date it advanced from Rs. 2,78,000 to Rupees 3,12,000, or by Rs. 34,000 in seven years, or at an average rate of Rs. 5,000 per annum. Under ordinary collections there has been an advance of Rs. 10,70,000 during the last ten years or an average increase of about one lakh per annum, but, as will be apparent from the statement, the progress made has been far from uniform 1890-91 to an increase of Rs. 2,27,000 in 1896-97, Rs. 1,96,000 in 1894-95 and Rs. 1,80,000 in 1887-88. It is clearly, therefore, impossible to forecast with any certainty the increase which may be anticipated in any given year under this head. On the whole there is a steady increase due partly to improved and more careful administration and partly to variations in the general prosperity of the country and of trade in particular. The former is more or less constant but the latter and more important element is dependant on so many causes which cannot be foreseen that it is impossible to arrive at any normal rate of increase.

(True Copy and Extract.)

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

To the Secretary to Government, Revenue Department.
Copy to the Accountant-General.

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STATEMENT showing the Income-tax Collections under each head for eleven years, commencing from 1886-87.

Items.	1886-87.	1887-88.	1888-89.	1889-90.	1890-91.	1891-92.
1	2	3	4	5	6	7
	RS.	RS.	RS.	RS.	RS.	RS.
1. Deductions from salaries, pensions and gratuities.	2,78,026	2,81,077	2,83,433	2,85,450	2,89,021	2,95,859
2. Do. from Government securities	56,235	65,636	72,092	69,212	74,683	70,575
3. Do. from local securities	1,683	2,222	3,003	3,563	3,381	3,638
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6. Miscellaneous	..	..	11	..	43	1
Total ..	13,33,607	15,28,903	15,12,111	16,50,150	16,42,514	17,36,017

Items.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.
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	RS.	RS.	RS.	RS.	RS.
1. Deductions from salaries, pensions and gratuities.	3,00,066	3,07,801	3,12,096	3,12,609	3,18,932
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3. Do. from local securities	3,632	3,414	3,422	3,522	4,209
4. Ordinary collections	14,75,131	16,71,479	18,02,458	18,38,652	20,65,753
5. Penalties	3,537	4,543	5,675	6,353	5,944
6. Miscellaneous	12	10	13	..	..
Total ..	18,52,801	20,61,621	22,05,519	22,20,188	24,59,839

ORDER—No. 917, Revenue, dated 6th November 1897.

Separate Revenue No. 94.

The Government observes that the actual receipts of the first six months of the current year, amounted only to Rupees 7·03 lakhs as against Rs. 7·98 lakhs in the previous year, and considers therefore that it will be safer to fix the revised estimate for 1897-98 at 24 lakhs instead of 25 lakhs proposed by the Board. The receipts under "Ordinary collections" in the latter year will accordingly be reduced by one lakh of rupees and the Board's estimates, as thus modified, are approved and will be transferred to the Financial Department.

(True Extract.)

(Signed) G. STOKES,
Secretary to Government.

To the Financial Department.
" the Board of Revenue (Separate Revenue).
" the Accountant-General.

Exd. Shaik Karim.

50 Copies.

[Appendix.]

APPENDIX.

MADRAS—REVENUE AND RECEIPTS.

VIII.—ASSESSED TAXES.

	Detailed account number.	Budget estimate, 1898-99.	Revised estimate, 1897-98.	Budget estimate, 1897-98.	Accounts, 1896-97.
Income-tax	VIII-A.	Rs. 25,00,000	Rs. 24,00,000	Rs. 24,00,000	Rs. 24,59,839
Imperial Share—One-half	..	12,50,000	12,00,000	12,00,000	12,29,919
Provincial Share—One-half	..	12,50,000	12,00,000	12,00,000	12,29,920

DETAILED ACCOUNT NO. VIIIA.—ASSESSED TAXES—Income Tax.

Deductions by Government from Salaries and Pensions	8,22,000	8,22,000	3,20,000	8,13,932
Do. do. from Interest on Government Securities	73,000	73,000	70,000	70,001
Do. do. from Local Securities	4,200	4,200	4,000	4,209
Ordinary Collections	20,87,300	19,87,300	19,91,000	20,58,264
Penalties	6,000	6,000	6,500	6,914
Recoveries from Surplus Profits of Railway Companies	7,500	7,500	8,500	7,489
Total	25,00,000	(a) 24,00,000	24,00,000	24,59,839

(a) Arrear balance at the beginning of the year	Rs. 2,34,000
Deduct—Amount of remissions and reductions granted on petitions pending at the close of the previous year or received subsequently	17,000
Deduct—The probable amount that may become irrecoverable	5,000
Net—Balance at the beginning of the year	2,12,000
Add—The probable final demand of 1897-98 (including the demand for Mysore and Travancore) which may be estimated at the final demand of 1896-97, plus a probable increase of Rs. 54,000	25,00,000
Total	27,12,000

Deduct—Amount that may remain uncollected at the end of the year	3,12,000
Revised estimate for 1897-98	24,00,000

* Actuals of the first five months of 1897-98	Rs. 10,916
Actuals of the last seven months of 1896-97	42,483

Revised estimate for 1897-98 .. 53,399
or 54,000 in round figures.

Note.—The Accountant-General's figures have been adopted for the accounts of 1896-97 for the following reasons:—

Collectors furnish information only regarding items 4 and 5 ("Ordinary Collections" and "Penalties") and all differences noticed between the Collector's and the Accountant-General's figures are explained to the Accountant-General and a consolidated explanation obtained from him and submitted to Government—vide paragraph 43 of the Income-tax Administration Report for 1896-97. The figures for other items are adopted from the Accountant-General's statements. As, however, the figures furnished by Collectors under items 4 and 5 exclude some of the collections made in the Presidency Bank and as the Board is not informed of the adjustments made by them, if any, subsequent to the date of their administration reports, the Accountant-General's figures have been adopted throughout.

Items.	Actuals of the first five months of				Actuals of				Average.
	1897-98.	1896-97.	1895-96.	1894-95.	1896-97.	1895-96.	1894-95.	Total for the three years.	
Deductions by Government from Salaries and Pensions	Rs. 1,29,640	Rs. 1,29,047	Rs. 1,31,377	Rs. 1,27,175	Rs. 3,13,932	Rs. 3,18,882	Rs. 3,12,277	Rs. 9,45,091	Rs. 3,15,030
Deductions by Government from interest on Government Securities	35,413	32,189	33,006	35,451	70,001	66,679	81,855	2,18,535	72,845
Deductions by Government from Local Securities	2,487	2,072	1,645	1,741	4,209	3,522	3,331	11,062	3,687
Ordinary Collections	3,64,551	4,36,071	3,86,397	3,55,735	20,58,264	18,82,409	17,98,807	57,39,480	19,13,160
Penalties	1,725	1,614	1,402	1,243	5,920	6,492	5,687	18,099	6,033
Miscellaneous	..	44	..	18	24	..	18	42	14
Recoveries from surplus profits of Railway Companies	..	..	..	..	7,489	8,135	4,038	19,662	6,554
Total	5,33,816	6,01,037	5,53,827	5,21,363	24,59,839	22,86,119	22,06,013	69,51,971	23,17,323

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