

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 19

DATED 4th January. 99

[Despatch Abstract.]

Recording Question put up by the
Hon. P. Ratuasabhapati Pillai De re: assessment
of income on pensions & other incomes received
in a native State and the answer thereto.

BACK PAPERS.

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

FURTHER PAPERS.

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

D 1,000-8-4-97.

The Hon. P. Ratnasabhapati Pillai REVENUE DEPARTMENT.

under G.O. 1620
6.4.98

VI. (a) With reference to my question No. XV and the answer thereto at the meeting of the Council dated the 4th April, will Government be pleased to state whether G.O., No. 704, dated 19th September 1895, is intended to exempt from income-tax only pensions and other incomes earned and received in a Native State, but afterwards brought or remitted into British India?

(b) Whether upon the same principle, pensions and other incomes earned in a Native State, but paid and received in British India at a British treasury, are not entitled to exemption from taxation?

(c) Whether Government will be pleased to cause a revision of the terms of the Government Order quoted above in view to the exemption therein allowed being extended to the pensions and other incomes of the kind referred to in clause (b) of this question?

G.O. mis No 1974¹⁸ Jan 4 1899.

Recorded

4/1/99

3/1/99

In that case the person was actually in the employ of the N.S. at the time of Letter 4180 S.R. of 3.9.95 under G.O. 704^{mis} 19.9.95

The cases mentioned in the T.O. are not cases of pensions

To Secy.

Please see the notes under G.O. No. 718 of 25.11.98, in which the questions were discussed.

2 (i) In the case of incomes earned and received in person in a native state, and subsequently brought into British India, the Advocate-General, Bengal, stated that no income tax could be levied. In forwarding this opinion the Govt of India desired that it should be acted upon. The Advocate-General, Madras, would apparently question the correctness of this opinion, but until he does so, the Govt and an opinion different from that of the Bengal of India order has to be carried out. Advocate-General is furnished, the G.O. order has to be carried out.

When the income

are received by an agent in the Native State and remitted to British India, it has been decided that income tax is leviable.

(iii) when the incomes are received in British India Sec. 3(5) of the Income Tax Act (II of 1886) makes them clearly liable.

Hence exemption from liability can be permitted only in the case stated in question VI (a), to which a reply in the affirmative may, it is thought, be given.

3. From what has been stated above, the reply to question VII (b) would be in the negative. It has to be added that the two cases are distinct, the incomes being in one case "received in British India", and in the other not.

4. The proposed modification of G.O. 704 of 7.9.95 as suggested in VI (c) cannot therefore be made. This order appears to have been placed on the Editor's Table.

Hrs. Please see next page for prepared up to 1886

FOR ORDERS.

G.O. No 710 dated 25-11-98

QUESTIONS proposed to be asked by the Hon'ble M.R. Ry. P. RATNASABHAPATI
PILLAI Avargal at the meeting of the Council to be held on the 13th December 1898.

Revenue Department.

VI. (a) With reference to my question No. XV and the answer thereto at the meeting of the Council dated the 4th April, will Government be pleased to state whether G.O., No. 704, dated 19th September 1895, is intended to exempt from income-tax only pensions and other incomes earned and received in a Native State, but afterwards brought or remitted into British India?

(b) Whether upon the same principle, pensions and other incomes earned in a Native State, but paid and received in British India at a British treasury, are not entitled to exemption from taxation?

(c) Whether Government will be pleased to cause a revision of the terms of the Government Order quoted above in view to the exemption therein allowed being extended to the pensions and other incomes of the kind referred to in clause (b) of this question?

Reply

The answer

to clause (a) of the question is in the affirmative, and to clause (b) in the negative. The two cases are distinct, the incomes in one case being "received in British India" and in the other not. A modification of the G.O. referred to cannot therefore be made as suggested in clause (c).

KK

KD
3/12/98

Proposed answer: —

With regard to clause (a) of the question the G.O. ^{of 1895} ~~communicated~~ ^{the rule} ~~communicated~~ ^{the rule} to be asked upon ~~in similar~~ ^{cases} the opinion of the Ad. Sec.

under the orders of the
9-19

MA
3.12.98

of Bengal in the case of a person who being employed in a Native State earns a salary which is there paid to him, that such person is not liable to pay income tax upon such salary or part thereof which he may bring into British India. The cases mentioned in the G.O. are not cases of pension.

To clause (b) of the question the answer is in the negative.

To clause (c) the answer is that the G.O. referred to by the Hon. Member merely communicated the instructions of the Govt. of India, and which are not open to revision by this Govt.

W
3/11/98

THE HON'BLE P. RATNASABHAPATI PILLAI AVARGAL—

VI. (a) With reference to my question No. XV and the answer thereto at the meeting of the Council, dated the 4th April, will Government be pleased to state whether G.O., No. 704, dated 19th September 1895, is intended to exempt from income-tax only pensions and other incomes earned and received in a Native State, but afterwards brought or remitted into British India?

(b) Whether upon the same principle, pensions and other incomes earned in a Native State, but paid and received in British India at a British treasury, are not entitled to exemption from taxation?

(c) Whether Government will be pleased to cause a revision of the terms of the Government Order quoted above in view to the exemption therein allowed being extended to the pensions and other incomes of the kind referred to in clause (b) of this question?

The Hon'ble Mr. Forbes

VI. With regard to clause (a) of the question, the G.O. of 19th September 1895 communicated under the orders of the Government of India as the rule to be acted upon the opinion of the Advocate-General of Bengal in the case of a person who being employed in a Native State earns a salary, which is there paid to him, that such person is not liable to pay income-tax upon such salary or part thereof which he may bring into British India. The cases mentioned in the Government Order are not cases of pension.

To clause (b) of the question, the answer is in the negative.

To clause (c) the answer is that the Government Order referred to by the Hon'ble Member merely communicated the instructions of the Government of India, which are not open to revision by this Government.

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READ AGAIN G.O., No.
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