

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 334

DATED 23rd January 99

[Despatch Abstract.]

Recording B.P. informing the A.G., Madras that in the matter of assessing to Income Tax rewards granted to officers of the Salt, Akbari, & Customs Dept., the rewards should be treated as salary taxable under Part I of the schedule to the Income Tax Act and stating that the same procedure should be followed in the case of rewards granted to Police officers for the detection of Salt & Akbari offences.

BACK PAPERS.

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

FURTHER PAPERS.

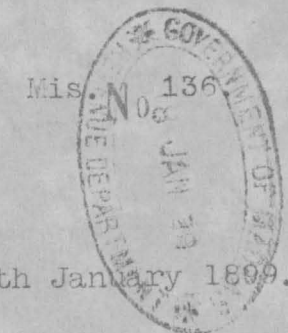
G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue (1899) Department.

CURRENT No. 439

Order mis N^o 2334 of 23rd Jan 1899

Recorded



From

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

Dated 12th January 1899.

Received

Registered

Enclosures —

Spare copies —

To

The Board of Rev. (S.R.) 4+0

Copy to the Jud. Dept. 4+0

20-24-1899

SUBJECT.

Note

The Board rules that rewards to Salt, Abkari & Police officers for the detection of offences should be assessed to Income Tax under Part I, Schedule II of the Act (II of '86).

PK
19.1.99

20-1-99

Informing the Accountant-General, Madras, ^{that} of the practice in the matter of assessing to Income Tax rewards granted to officers of the Salt, Abkari and Customs Department, together with the reasons ^{therefor} and stating the Board's opinion that the same procedure should be followed in the case of rewards granted to Police officers for the detection of Salt and Abkari offences.

BACK PAPERS.

G.O.	No.	Department.	Date.
	Income Tax Manual		
50	2434	9-5-96	
	782	7-9-93	

FURTHER PAPERS.

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PRICE 1 pie ^{2,000}/_{1-9-98.}



Proceedings of the Board of Revenue

(Separate Revenue).

Dated 12th January 1899.

Mis. No. 136.

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Read the following letter from C.M. Sherman Esquire, Assistant Commissioner, Calicut Sub-Division, to the Deputy Commissioner, Southern Division, dated 16th October 1898:-

"I have the honour to forward herewith copies of Board's Proceedings Routine No. 966, dated 4th April 1898, and South Canara Collector's letter No. 416 A, dated 16th May 1898, on the subject of deduction of Income Tax on rewards and request orders on the following:-

2. In the Accountant-General's letter embodied in the above Board's Proceedings, it is stated that rewards are taxable under Part IV, Schedule II of Act II of 1886, as income, and not as salary under Part I of that Schedule. But under the existing practice, income tax is deducted on rewards paid to Sub-Inspectors every month when such rewards and pay together exceed Rs. 41-10-8 per mensem. But according to the Accountant-General's instructions referred to in the above para, rewards are not liable to any income tax, unless the recipients have other incomes, under Part IV

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of Schedule II of Act II of 1886, which will bring each of their total incomes under that part to Rs.500. Early orders are requested.

3. The present procedure is found to work well, and income tax collected without fail, it being left to the Sub-Inspectors to apply for refunds if they fall within the limit, which, I would add, they do", and

The following endorsement thereon of the Deputy Commissioner, Southern Division, No.4558, dated 30th October 1898:-

"Copy of the Assistant Commissioner's letter submitted to the Secretary to the Commissioner of Salt, Abkari and Separate Revenue, for the Board's orders".

Resolution.

Adverting to his letter No.I.A.C.A/91 S.C, dated 1st April 1896, the Accountant-General is informed that it has been the practice in this Department since 1887 to treat rewards granted to Salt and Abkari Officers for detection as 'salary' within the meaning of Section 3(4) of Act II of 1886 and to assess them under Part I Schedule II of the Act. In the Government of India Resolutions Nos.3716, dated 25th August 1893 and 2368, dated 26th May 1896, it has been held that rewards for passing examinations and fees paid by Government to examiners for conducting Government examinations are taxable under Part IV Schedule II of the Act as 'income' and not as 'salary' under Part I of the Schedule. The reason for the rulings is contained in para 2 of the latter Resolution where, with special reference to the fees paid to examiners, it is said that "the fees in

question cannot be regarded as a salary or gratuity and taxed as such under Part I of Schedule II of the Act unless it is actually part of the officer's recognized duty to conduct such examinations". The detection of offences under the Salt and Abkari laws being part of the recognized duty of the officers of the Department the Board considers that the rewards for detection granted to them are not on the same footing as those granted to officers for passing and conducting examinations. The former are "perquisites or profits" received by Salt and Abkari officers in addition to a fixed salary in respect of the office held by them and they should, in the opinion of the Board, continue to be assessed as 'salary' under Part I Schedule II of the Act. The Board considers that for the reasons given above the same procedure should be followed in the case of rewards granted to Police officers for the detection of Salt and Abkari offences.

(True copy and extract.)

C. Talhumbi
Acting Secretary.

18.1.99.

To the Accountant-General, Madras.

Copy to the Deputy Commissioner, Southern Division.
" " " " " Central Division.
" " " " " Northern Division.
" " " Secretary to Government, Revenue Department.