

Revenue (1898) Department.

MISCELLANEOUS SERIES.

G.O., No. 4176

DATED 27.10.98

[Despatch Abstract.]

*Recording B.P. replying to G.O. reviewing
the Income-tax Administration Report
for 1895-96.*

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 DEPARTMENT.

1897.

Board of Revenue

(Separate Revenue),

MADRAS.



Printed December 8th.
 Recd 12
 Ref 13

Proceedings, No. 514, 1st December 1897.

See 16 file

G.O. mis 27th Oct 1898 No 176

DECEMBER.

Recorded.

To the Board of Rev
 (S.R.)
 with Encl. Dec. 1-11-98

KD
 26/10/98

Replying to Government Order reviewing the Income-tax Administration Report for 1895-96.

PROCEEDINGS OF THE BOARD OF REVENUE
(SEPARATE REVENUE).

RESOLUTION—No. 514, dated 1st December 1897.

In G.O., No. 676, Revenue, dated 30th November 1896, Government reviewed the Income-tax Administration Report submitted by the Board for 1895-96 and called for report on the following points:—

1. Ganjám.
2. Vizagapatam.
3. Coimbatore.

4. South Canara.
5. Malabar.

(1) The causes which accounted for the comparatively small number of assesses under part IV in the districts noted in the margin.

(2) The reasons for the exceptionally low incidence of taxation per head of the trading and professional classes in these districts as well as in the districts of Chingleput, Trichinopoly, Tinnevely and Salem.

(3) The nature of the proceedings taken in all the districts of the Presidency against those assesses on whom demand or distraint notices have not been issued or whose moveable or immovable property has not been sold.

2. With regard to the first and second points, the figures upon which Government based its remarks are here recapitulated for easy reference:—

Districts.	Trading population.	Professional classes.	Total of column Nos. 2 and 3.	1895-96. Final demand under Part IV.		Average population in column 4 for each assessee in column 5.	Incidence of taxation per head in column 4.	Incidence of taxation per assessee in column 5.
				Number of assesses.	Amount of tax.			
1	2	3	4	5	6	7	8	9
Ganjám	199,264	39,613	238,877	1,493	Rs. 32,345	150	Rs. A. P. 0 2 2	Rs. A. P. 21 10 8
Vizagapatam	225,187	20,531	245,718	2,698	58,342	91	0 3 10	21 10 8
Gódvári	189,661	26,332	215,993	4,921	1,07,502	44	0 8 0	21 13 6
Kistna	151,626	35,016	186,642	5,974	1,19,448	31	0 10 3	19 15 11
Nellore	145,288	25,290	170,578	3,828	77,275	45	0 7 3	20 3 0
Cuddapah	90,060	13,145	103,205	2,793	55,452	37	0 8 7	19 13 8
Anantapur	55,388	7,299	62,687	1,306	22,450	48	0 5 9	17 3 0
Bellary	69,725	11,705	81,430	2,255	59,130	36	0 11 7	26 3 7
Karnool	71,537	9,267	80,804	1,826	32,950	44	0 6 6	18 0 9
Chingleput	105,140	21,220	126,360	1,777	35,870	71	0 4 7	20 3 0
North Arcot	150,105	30,281	180,386	4,468	98,832	40	0 8 9	22 1 11
South Arcot	119,437	30,002	149,439	2,747	56,473	54	0 6 1	20 8 11
Tanjore	223,848	88,089	311,937	3,890	1,10,962	80	0 5 8	28 8 5
Trichinopoly	84,055	30,366	114,421	1,491	29,555	77	0 4 2	19 13 2
Madura	223,663	56,320	279,983	6,422	2,45,422	44	0 14 0	38 3 5
Tinnevely	258,058	40,837	298,895	3,498	92,016	85	0 4 11	26 4 11
Coimbatore	207,597	40,172	247,769	1,837	40,187	135	0 2 7	21 14 0
Nilgiris	6,288	2,450	8,738	370	20,373	24	2 5 4	55 1 0
Salem	152,460	28,633	181,093	2,627	53,608	69	0 4 9	20 6 6
South Canara	99,764	29,822	129,586	1,889	33,320	93	0 1 1	23 15 10
Malabar	442,568	82,859	525,427	2,727	79,613	193	0 2 6	29 3 1
Total	3,270,719	609,249	3,939,968	60,335	14,61,125	65	0 5 11	24 3 6

* The figures in column 2 for Chingleput include, and for North Arcot exclude, those for the Madurapuk taluk, which has been transferred to the former district since the census of 1891.

The figures in column 3 in regard to these two districts are taken from the census report without modification, taluk-war details not being available.

The Board in paragraph 48 of its report on income-tax for the year 1896-97 submitted with its Proceedings, No. 342, dated 15th August 1897, has already expressed the opinion that the number of the trading and professional classes in any one district is of little assistance in determining whether the assessments under income-tax have been made with sufficient care or the reverse. As promised therein, the reports received from Collectors are herewith submitted with the following remarks; so far as they are pertinent to the questions under discussion, they appear to bear out the above conclusion.

3. Dealing first with the small number of assesses compared with the professional and trading population, the Collector of Ganjám points out that there has recently been a decrease in the number of assesses owing to the completion of the East Coast Railway works and the consequent withdrawal from the district of a number of petty contractors who were employed thereon and that the number of individuals in the district liable to the payment of income-tax is very small. The district is admittedly a poor one, the import and export trade by sea being about one-quarter of that of the Gódvári district although the number of persons classed as traders is somewhat greater. It is not therefore surprising that the incidence of taxation is so small. As regards the Vizagapatam district it is reported that, at the census of 1891, very many persons were returned as traders whose income from that source was merely nominal. The trade of this district also is not large compared with such districts as Gódvári, Tinnevely or Malabar. The number of persons classed as traders is not much less than the number so classed in Tinnevely, whereas the total import and export trade by sea in 1895-96 was valued at 130 lakhs in Vizagapatam and 317 lakhs in Tinnevely. The Collector of Coimbatore reports that, so far as his district is concerned, the figures furnished by Government do not represent the real facts of the case, that the district is, to all intents and purposes, a purely agricultural one, and that, as the number of persons really engaged in commerce has more than doubled itself during the last ten years without any proportionate development in the volume of trade, the profits derived therefrom have become much sub-divided and the number of persons drawing a taxable income has therefore a tendency to decrease rather than increase. The same remark applies to the professional classes, almost all of whom are lawyers, whose number increases steadily with the advance of education whilst the amount of litigation in the district has not perceptibly advanced. In South Canara and Malabar the greater portion of the trade is in the hands of European firms having their principal offices elsewhere and the people, particularly in the first-mentioned district, are mainly agriculturists. The Collector of South Canara reports that the internal trade of the district is to a large extent carried on by wandering merchants and pedlars from Mysore whose whereabouts cannot always be ascertained and the Collector of Malabar states that the number of persons shown as engaged in trade is much augmented by the inclusion of a large number of Moplahs who, although practically deriving nothing in the way of income from this source, consider the appellation of trader to be a more dignified one than that of cultivator and class themselves as such as a point of honour. The sea-borne trade of South Canara, during 1895-96, amounted in value to 216 lakhs and that of Malabar to 724 lakhs. Taking all the facts into consideration, the Board is inclined to believe that the incidence of taxation, at least in the latter district, is decidedly less than it should be and the Collector will be requested to devote special attention to the matter during the current year.

4. The low incidence of taxation per head of the professional and trading classes in the districts of Ganjám, Vizagapatam, Coimbatore, South Canara and Malabar has been incidentally dealt with in the preceding paragraph and calls for no further remark. As regards Chingleput, the explanation furnished by the Collector is that the district is close to Madras, that there are no large centres of trade and that the persons returned as traders in the census reports are almost all petty shopkeepers having non-taxable incomes. The Collector of Trichinopoly ascribes the low incidence to the fact that the trading and professional classes are very few in comparison with the agricultural population of the district. If this is so, the comparatively small number of traders ought to make comparatively large profits and the explanation cannot therefore be accepted. The incidence of taxation is lower than in Chingleput

These figures include those put up exclusive of it.

including treasure.

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4 BOARD OF REVENUE (SEPARATE REVENUE), No. 514, 1st DECEMBER 1897.

and the Collector will be requested to make further inquiries into the adequacy of the assessments for the current year. As regards Tinnevely, the trade of the district is largely in the hands of the Nattukottai Chetties, who are assessed to income-tax in the Madura district, of the Malapalayam Mahomedans who are assessed either at Bombay or Madras, and of European firms whose principal places of business are outside the district. Further, the Collector reports that many of the Mahomedan inhabitants of Kayalpatnam and Kulasekharapatnam and some of the wealthy Hindu traders of Kalladaikurichi and other villages carry on trade exclusively in Ceylon, Travancore and Cochin and in many instances are not liable to taxation. These circumstances go far towards reducing the incidence of taxation per head in spite of the fact that, as regards volume of trade, Tinnevely comes next after the Presidency town and Malabar. The Collector of Salem discusses the question taluk by taluk and his conclusion after a careful review of the circumstances of the district is that it is not on the whole under-assessed. Compared with other inland districts such as Coimbatore and Trichinopoly, the average incidence appears to be fair but there seems no good reason why it should be so much less than in North Arcot and Cuddapah, neither of which contains any large trading centres. As regards Tiruchengodu, the Collector considers that there has been possibly under taxation in 1895-96, but that the figures for 1896-97 show that this has been remedied.

5. As regards the last point, the Collectors of the marginally-noted districts Ganjam, Vizagapatam, Kistna, Cuddapah, Kurnool, South Arcot, Salem and South Canara report that there are no defaulters in those districts against whom demand or distraint notices have not been issued or whose property has not been sold. In Gódvári and Nellore, processes were not served in several cases on parties, because they voluntarily paid up their taxes on being asked to do so by the village officers without the issue of a formal demand notice. In Anantapur, Chingleput, Tanjore, Trichinopoly, Madura and Malabar, the practice of sending one demand notice to all the defaulters in any particular village instead of one to each reduced the number of demand notices as compared with the number of defaulters. The defaulters paid up their taxes in these districts without the necessity of resorting to coercive processes. In Bellary, notices to pay the tax before a certain day had the desired effect. In North Arcot also, no proceedings were taken when the taxes were paid soon after the due date; but in some cases where taxes fell due only at the end of the year processes were issued after the close of the official year. In Tinnevely, the demand notices were issued to all defaulters in the district. The excess in the number of demand notices issued over the number of defaulters is due to the issue of notices to the same assessee more than once under part I for the tax due in different months. In Coimbatore, the defaulters paid up their taxes even before the issue of demand notices. In the Nilgiris, men of position and respectability alone were served with notices in the form of reminders and they were always complied with. In Madras, the taxes in most of the cases referred to were paid up on presentation of demand notices and, in some, the taxes were paid on the defaulters being arrested. In three cases warrants of arrest were issued but not executed, the taxes having been remitted on the presentation of revision petitions.

(True Extract.)

(Signed) N. S. BRODIE,
Secretary.

(True Copy.)

A. B. M. M. M. M. M.
Ag. Assistant Secretary.

To the Secretary to Government, Revenue Department. (with a file of enclosures as per list table returned)
Copy to all Collectors.

Exd. Md. Pahlvan.

SUBJECT.

Re: certain returns appended to the Income Tax report.

FOR ORDERS.

In para 8, clause 3, of the review of the Income Tax administration Report for 1895-96, the Govt remarked that "Comparisons based on the total population of districts such as will be found in Sec. VIII of the report furnish no reliable indication of the adequacy of assessments so far as assessments under Part IV are concerned, but it may safely be assumed that save in exceptional cases, the number of assesses and the amount of assessments should roughly correspond with the number of the population belonging to the trading and profession."

professional classes". The table prepared with reference to the foregoing remarks ^{in some} ~~with a~~ view to scrutinizing the correctness of the assessments under Part IV showed that the assesses were not "nearly so numerous in the districts of Malabar, Ganjam, Coimbatore, South Canara and Vizagapatam" as might have been expected "having regard to the numbers of the members of the trading and professional classes" and that in the same districts as well as, (though in a less noticeable form,) in Trichinopoly, Tinnevely, Salem and Chingleput, the incidence of taxation per head of these classes had been unduly low. The Collectors concerned were requested to report whether any satisfactory explanation could be offered for the fact above noticed and the Commissioner was asked to make personal enquiries on the subject during his tour.

When the past year's report was under preparation, the matter was still under enquiry but the Board took the occasion to remark that professional and trading population "does not shift from district to another as trade increases and is therefore no criterion of its volume" and that "if the trade of two districts were equal one would expect the income tax results of the district with the smaller trading population the better of the two, as there were fewer ^{share} ~~traders~~ of the total trade available". The Govt, however, thought that it was useless to speculate until the results of the detailed enquiries which were being instituted in connection with the matter were ascertained and stated that "there is apparently no reason to believe that the very great variations noticed are capable of being explained by considerations of this nature". The Board was accordingly

asked to expedite the submission of the report previously called for on the subject (vide last clause of para 11 of G.O. No. 1027 Rev. dt 9th Decr 1897).

2. The report above referred to or rather the several reports which the Board has received from the collectors concerned as well as a complete review of the same, the Board now submits for the information of Govt. It has also taken this opportunity to explain another point on which a report was called for by Govt in the last clause of para 11 of the review of the report for 1895-96 viz., the nature of the proceedings taken against those defaulters on whom demand or distraint notices were not served or in whose cases no property was sold.

3. As regards the comparative smallness in the number of assesses and the low incidence of taxations per head of the trading and professional

professional classes, the Collector's reports of which a précis is given in para 3 of the R.P. In the following information is given to each District. In Ganjam, it is reported that the district being poor, the number of persons liable to pay the tax is small and that further of late there has been a withdrawal of petty contractors owing to the completion of the East Coast Railway works. (2) In Vizagapatam several persons with nominal income appear to have been returned as traders at the time of the Census. In Coimbatore, it is stated that while the volume of trade has not increased, the number of traders has more than doubled itself during the past ten years. The coasting trade of Malabar and South Canara is reported to be ^{mostly} in the hands of European firms having their headquarters elsewhere while the internal trade of South Canara

Please
see note
at end.

appears to be carried on by wandering merchants whose whereabouts cannot be ascertained. Again in Malabar, ~~several~~ ^{several} ~~prophets~~ ^{prophets} with no taxable income were stated to have been included under the class of traders as they returned themselves "as such as a point of honour". The Board however is inclined to believe that considering the enormous ^{Seaborne} trade of Malabar ^(724 lakhs) ~~at any rate~~, the incidence of taxation in that district is less than it should be and has asked the Collector to devote special attention to the matter during the current year. The low incidence of taxation in Chingleput is ascribed to the proximity of the district and to Madras and the consequent absence of large traders while, in Srinagvelly, it is ~~reported~~ ^{reported} that the trade is in the hands of Nattukottai Chettis, Malapalam Mahomedans and European

European firms assessed elsewhere in the Pres or having their headquarters in Ceylon Travancore &c. The Collector of Trichinopoly explains the low incidence in his district is due to the comparative smallness in the number of the trading and professional classes; but the Board rejects (nighly, it is submitted) this explanation as unsatisfactory on the ground that "the comparatively small number of traders ought to make comparatively large profits". The Collector of Salem after a review of the circumstances of each taluk comes to the conclusion that this district is not on the whole ~~not~~ under-assessed except perhaps Srinagvelly and that the short assessment in this ^{taluk} ~~excepted~~ taluk has since been made good. The Board considers that while the assessment in Salem is fair as compared with some of the inland districts

2. A point on which orders have to be passed in this connexion is whether in view of the circumstances now reported, the statement usually embodied in Sec VIII of the report should be substituted by one in the form appended to para 2 of the current, or printed on page 8, of the last year's review (G.O. n° 102) Rev: dy 9th Dec: 1897). In para 48 of the past year's report, the Board, it will be seen, states that the old form had been continued as the effect of the enquiries made could not at the time be ascertained. The Rpt. now submitted seems to show that the statement prepared

ley foot is not of much value for purposes of drawing definite conclusions therefrom but this latter remark when it is submitted, seems to a with equal or greater force the Board's statement. It is however a fact that the two statements do not go over the same ground. The Board's statement relates to assessments under all the four parts while the one prepared in the Office takes into account only those under Part IV. Both contain interesting though not always valuable information and it seems therefore desirable to require the Board to furnish both and review them in future reports. It may also be mentioned here that the Govt. ^{of India} has not prescribed any form for reporting the incidence of taxation and the statements accompanying the reports of the several provinces are consequently not prepared on any uniform principles.

dis. In Bengal and Bombay much
 at the same information as is
 in contained in the Madras re-
 ports is now being furnished
 part of the app^{ts} to the
 Bengal Report for 1895-96 and
 app^{ts} 5, 18, 30 of the Bom-
 bay Report for 1895-96. In the
 n.w.p. and Oudh reports, the
 statements furnished, exclude
 "income from official salaries
 and pensionable Govt Securities"
 and give information
 regarding "Total", "Agricultural"
 and "Town" population from
 which no inference appears to
 be drawn (note page 9) of the
 Report for 1893-94. In the Burma
 report for 1893-94, no information
 regarding incidence of taxation
 is furnished. It may also be
 mentioned in this connexion
 that in the Madras reports
 prior to 1890-91, the incidence
 of the tax on the Agric and
 non-Agricultural population
 had been separately shown but that
 the Govt in its review of the
 report for 1889-90 remarked that

F

G, H &

J

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For the
 L

the details regarding the
 non agricultural population
 was of no value, "the Census
 returns not furnishing material
 for an accurate division of
 the population into Agricul
 tural and non agricultural
 It was in pursuance of this
 remark that the present
 form of the statement appen-
 ded to Sec VIII of the Board's
 report was introduced. The
 1891 Census returns however
 furnished more detailed in-
 formation than that given in
 those of 1881 and rendered it
 possible to prepare a state-
 ment like that appended to
 para 2 of the current.
 5. as regards
 the nature of the R proceed-
 ings taken against those de-
 faulters on whom demand
 or distraint notices were not
 served or whose property was
 not sold, ~~the latter~~
~~the Board's reports~~, it is re-
 ported that in ^{several} ~~most~~ of the
 districts they paid their taxes
 without

without the necessity of resort-
ing to coercive processes and
that in some districts "the
practice of sending one de-
mand notice to all the defaul-
ters in any particular village
instead of one to each, reduced
the number of demand notices
as compared with the number
of defaulters". The explana-
tion may, it is submitted, be
accepted.

mm
9.11.98

Secy

Regarding the
low number of arrears under Part IV
as compared with the
total trading population

in

Gangam

Vizagapatam

Coimbatore

South Canara

Malabar;

The fact was noticed

in the review of the

report for 95-96 and

again in that of the

report for 96-97.

The incidence of assessment
per head of the trading

A.P.O. 676
30.11.96

p. 8 of G.P.O. 1027 Rev 29.12.97
Flipped C.

population was also
noticed to be comparative-
low in these districts
and also in

Chingleput

Trichinopoly

Tinnevely &

Salem.

It will be seen that the
Board accepts the
Explanation offered
of the collections of
Gangam

Vizagapatam

Coimbatore

South Canara

Chingleput &

Tinnevely

but considers the
Explanation unsatisfactory
& that there is room
for improvement in
Malabar

Trichinopoly &

Salem.

G.P.O. 1027 Rev C
9.12.97

In the review of
the report for 96-97
it was noticed that
objection petitions were

numerous & successful
~~happened the average~~ in
Rangam & Vijayapattanam (of the dists under consideration)

& extraordinarily
 successful in
Tumacvelly Coimbatore

& South Canara &
Malabare. Revision
 & petitions were

extraordinarily
 successful in the 3
 last-named districts.

It is difficult
 to controvert those
 Collector's reports which
 the Board accepts
 as these are supported
 by a based on knowledge
 of local circumstances.
 But the fact that
 these districts (except
 Chingleput) figure
 prominently as those
 in which either
 objections petitions,
 or revision petitions,
 or both, are ~~extra~~
 extraordinarily successful.
 would seem to throw

para 10 of G.O. 1027 Rev
 & 9. 12. 87 C.

*Gangam
 Vijayapattanam
 Coimbatore
 South Canara
 Chingleput
 Tumacvelly

considerable doubt on
 the soundness of the
 explanations offered.

The current was
 received a few days
 after the G.O. review.
 the report for 96-97
 had gone out. It was
 expected that the
 Board ⁱⁿ replying
 to the points raised
 noticed in that review
 would offer some
 further explanation
 of the matter just
 stated. Hence this
 current lay over. But
 the Bd in replying to
 G.O. 1027 & 9. 12. 87 C,
 concentrated itself deal-
 ing with the remarks
 made in that order
 about the income tax
 administration in
 the Presidency Town.
 Apparently the Board
 is not going to do
 anything more than
 what it has already

In the case of Coimbatore, the Collector says
 that while the volume of work remaining
 the same, the no. of trades has
 doubled. This is curious.

1027 & 9. 12. 87
 C

*Please see
 B.P. No 1948 &
 14-5-98 (in
 Separate pad
 below) on which
 H.M. has passed
 orders. 111

*The Board
 has not yet
 passed any
 order on the
 subject.

said in the current.
The matter is therefore
submitted for order.

If it is thought
that the explanations
offered for Gaujam
Vijaypatnam
Coimbatore
South Canara &
Tumacoddy

~~are not~~ cannot be accepted
without further test, it
is submitted that
the statement showing
the no of assessors
under Pt IV & the
incidence of taxation
in comparison with
the total trading
& professional classes
might be ^{ordered to be} ~~submitted~~
included in the
Report for 2 or 3 years
so that it may be seen
whether the present
state of affairs will
continue in these
districts now that
attention has been
drawn to the matter.

Districts.

The Nilgiris
Kistna
Bellary
Cud
/

What is the total number
of assessors in these
districts?

... of assessors on the ...

Popul.	Total Sea-borne Trade of each Dist. (Imports + Exports).			
	1894-95	1895-96	1896-97	
11 10	35,77,704	33,38,529	23,72,047	
11 8				
10 11				
9 5				
14 11	15,03,433	16,35,189	14,82,997	
6 10				
8 9	20,42,319	19,34,629	2,20,21,279	
7 5	14,6,855	1,50,774	91,229	
6 9				
5 5	70,08,766	65,50,565	68,42,387	
5 2				
4 9				
4 5				
6 8	1,32,01,771	116,07,431	153,88,865	
5 8	219,67,935	309,89,193	230,25,043	
4 9	11,00,1937	129,15,198	102,24,626	
4 6	20,824,509	213,10,136	185,97,810	
3				
2 10	43,77,000	48,49,089	50,63,432	
1 11	692,94,560	724,11,264	571,56,213	
6 7				

Districts.	Population under trading and professional for each assessor.			Incidence of taxation per unit under professional tax.	
	1895-96	1896-97	1897-98	1895-96	1896-97
The Nilgiris	24	19	16	2 5 4	2 15
Distna	31	29	29	" 10 3	" 11
Bellary	36	36	37	" 11 7	" 11
Cuddapah	37	36	32	" 8 7	" 8 16
North Arcot	40	38	38	" 8 9	" 9 3
Madura	44	42	42	" 14 "	" 14 6
Kuvanaol	44	44	42	" 6 6	" 6 7
Godavari	44	44	42	" 8 "	" 8 3
Nakore	45	44	45	" 7 3	" 7 3
Anantapur	48	47	44	" 5 9	" 5 11
South Arcot	54	55	53	" 6 1	" 6 1
Palani	69	66	64	" 4 9	" 5 "
Chingleput	71	70	71	" 4 7	" 4 8
Tiruchinopoly	77	70	70	" 4 2	" 4 5
Vijane	80	77	72	" 5 8	" 5 6
Tirunelveli	85	74	72	" 4 11	" 5 6
Vizagapatnam	91	87	86	" 3 10	" 4 3
South Canara	93	90	83	" 4 1	" 4 3
Coimbatore	135	127	118	" 2 7	" 2 1
Ganjam	160	153	135	" 2 2	" 2 2
Malabar	193	235	237	" 2 5	" 2 "
	65	63	61	" 5 11	" 6 "

To the Under Secretary:-

Please see the statement submitted below.

The statement shows:-

- (a) The population under trading and professional classes for each assessor under Part II;
- (b) The incidence of taxation per head of the population under professional and trading classes;
- (c) The total revenue trade of each district.

2. The Income Tax Report for 1897-98 having since been received, the figures for this year have also been worked out and incorporated in the statement.

3. It will be seen that in 1897-98 also the population per assessor under the head "Trading and Professional Classes" continues to be high in

- Malabar
- Guzerat
- Coimbatore
- S. Canara and
- Vizagapatnam

though in all the districts except
Korakshar there has been an
improvement. The incidence
assessment per head of the

Trading and professional classes
has also low in these districts
found in the districts of

Trichinopoly

Tinnevely

Salem and

Chingleput.

The last three districts, however,
show an improvement.

4. It is submitted that

a comparison of the results
with the trade of each district
cannot usefully be made. It

will be seen for instance that in
Korakshar which has the largest
sea-borne trade the population

per assessor is greatest and

the incidence of taxation least.

It cannot be stated how much

of the sea-borne trade of the

coast districts are contributed

by inland districts as the

Railway trade returns do

not give the information

and

and road traffic is registered only
in a few localities.

5. In this connection it
is submitted that a comparison
of the number of population
per assessor and the incidence
of taxation per head of the
trading and professional classes
in the several districts is vitiated
by the fact that though in the
total number given of the
trading classes in the Census tables
a large number of them may have
been included in one district, many
of them are taxed in their principal
place of business.
For instance, the Nattukottai
chetties residing in Tanjore
Coimbatore and other districts
though included in the Census
Schedules in those districts they
are taxed in Madurai.

Orders are requested
in the above note on
two points: -

(i) whether any further
remark should be made
in regard to the small number

of

of assesses and in the low incidence
the tax in certain districts; and
(ii) whether any thing more.

2-95 he said about the large
number of successful objections
in some of the districts.

The attention of the Collectors
having been prominently drawn
to the above facts it is submitted
that nothing more need be
done.

(The long & short of it is, that the information asked for by Mr. Stokes
is not available except as regards sea borne trade
& the office has been wasting time trying to obtain it)

6/10/98 The income tax
report with a dealt with
in the 1st part of this year
He had better submit
this matter for order
in that connection.

MH
6/10/98

TO SECRETARY.

A precis of the correspondence
is given on pages 1-3 of this note.
points on which orders are required --
will therefore be stated briefly. The
information called for by the Secy. (the
Hon. Mr. Stokes) regarding the total --

trade of each district is not available

2. In para 3 of G.O. No. 676 dated
30th Novr. 1896, the dictum was laid --

down that the number of assesses to --

Income tax in each district and the --

amount of the tax imposed should gene-
rally correspond with the number repre-

sented the population of the trading
and professional classes of that dis-

trict. A statement was accordingly ap-

ended to that para showing (i) the --

average population of the trading and
professional classes for each assessee,

and (ii) the average incidence of the
tax per head of such population. The

Govt. observed that the average popu-
lation per assessee was large in "ala-

Malabar, Ganjam, Coimbatore, South Canara and Vizagapatam and that the incidence of the tax was low in these districts and also in Trichinopoly, Tinnevely, Salem and Chingleput. Reports were called for accordingly from the Collrs. of these districts and the Commissioner was requested to make personal enquiries during his tours.

3. B.P. No.514 dated 1-12-97 (Cur. No.10701) contains the Board's reply. The reports of the Collrs. concerned are stated and commented on in paras 3 and 4 of the B.P., and the Board concludes that the population of the trading and professional classes in any district is no guide to the determination of the adequacy of the assessments under Part IV in that district. This opinion is based mainly on three considerations:-

(i) that the classification of persons in the census tables according to occupation being based on the statements made by the persons themselves cannot

	Average population per assessee	Incidence of tax per head
Malabar	193	2-5
Ganjam	160	2-2
Coimbatore	135	2-7
S.Canara	93	4-1
Vizagapatam	91	3-10
Trichinopoly		4-2
Tinnevely		4-11
Salem		4-9
Chingleput		4-7
Presy. average	65	5-11

be accepted as correct. For instance, a large number of 'toplas' in Malabar, the deriving no income from trade, classed themselves as traders ^{regarding} that appellation as more dignified than that of cultivator. The Collr. of Vizagapatam bears similar testimony.

(ii) that ^{when} ~~as~~ the number of persons really engaged in trade increases without a proportionate development in the volume of trade, profits become subdivided, and the number of persons obtaining a taxable income tends to decrease. This is the explanation furnished by the Collr. of Coimbatore.

(iii) that persons are assessed at their chief place of business, and not in each district in which they carry on trade. For instance, Nattukottai chettis are taxed in the Madura district, wherever they may carry on trade.

4. In these circumstances, it is thought that no valid inference can be drawn from a comparison of assessments under Part IV with the population of

the trading and professional classes given in the census tables. May the current be recorded?

The Board usually works out the average population per assessee and the incidence of the tax per head with reference to the total population of the district. Should it be told to adopt instead the population of the trading & professional classes?

In para 11 of G.O. No. 676 dated 30-11-96, the Board was requested to report how the provisions of the Land Revenue law were utilized for the recovery of Income tax arrears. This report is furnished in the last para of the current and calls for no remarks.

Yes, I think so
S/R

It will be useful to have some info. on the subject no doubt, but all it will tell us is roughly the comparative prosperity of the trading classes in the different dists. One rich trader in Tuticorin may easily be able to buy up 500 traders in Kurnool. Population The census figures give us little info. as to the very untrustworthy info. on wh. to base deductions as to the correctness of the district assessments. After all it is probably not worth the trouble to work out figures on comparative populations.
S/R

Yes,
S/R
This is about the same as before
21/10/98

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189

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