AGRICULTURAL INCOME TAX.

A CRITIQUE

by

SIR N. GOPALASWAMI

IYENGAR.

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ROYAPETTAH, MADRAS.

AGRICULTURAL INCOME-TAX.

We are assembled this afternoon to consider the proposal of the Madras Government to levy an income tax, on agricultural incomes. I am sure that most of you have seen the provisions of this Bill and also the contents of the Press Communique which was issued by the Government on March 23 last. This is a big question and it has several aspects. It will not be possible for me to deal with all those aspects myself but the speakers who I will follow me will no doubt deal with such aspects as may not be able to touch on.

Let me say at the outset that I am not an opponent of a tax on agricultural incomes. For over a quarter of a century I have myself believed in, and advocated the remodelling of land revenue, and the levy of a tax on agricultural incomes, practically on the same lines as the tax on non-agricultural incomes levied by the Central Government. What I really object to is the levy of this tax on the lines now proposed by the Madras Government.

What exactly is this proposal ? The existing land revenue is to continue as it is. It will be assessed and recovered on the same lines as it is now. Over and above this land revenue, it is proposed to levy a tax on agricultural incomes, more or less on the same lines as the basic tax on non-agricultural incomes. There will be an exemption minimum and a graduation of rates. The exemption minimum will be Rs. 5,000, and graduation of rates is taken up to Rs. 20,000.

As far as I have been able to gather there has been a singular lack of detailed justification for these proposals. The Press Communique no doubt attempted some sort of explanation of the provisions of the Bill, but it is very brief. It begins with a hope, and ends with another hope. The hope it begins with is that the Government feel that from the statement of objects and reasons attached to the Bill the public would have been convinced of the need for withdrawing the exemption from income-tax which has hitherto been enjoyed by one section of the community. The hope with which it ends—it is rather fugitively expressed—is this: that the Government do not wish to conceal their hope that it will be found possible to develop this tax and eventually relieve the poorest class of ryots from the burden of taxation.

Now let us look at these two points. It is I think a mistatement that Agriculturists now enjoy exemption from Income-tax. On the other hand the tax burden

on this class of the community without any exemption at the bottom or any graduation of rates works out to a fairly heavy percentage rate on their income, anything from 20 to 30% of their total income. I say advisedly 20 to 30%. As you all know the theory of the ryotwari assessment that Government are entitled to take half the nett income from land. With all my official experience behind me it will not be possible for me to contend that Government are actually taking that much on the average. There may be a number of cases where they do not take 50% and possibly in a few cases more than 50% but if you take the average, I do not think it can be put at 50%.

The question as to what percentage of the nett income is being taken by the Government has been debated many times and examined by various public men, research workers and committees. It has not been possible for them to arrive at any common formula for indicating this percentage.

You will remember that the Indian Taxation Enquiry Committee tried to examine this question. It was unable to reach any definite conclusion. But, from the fact that it recommended standardisation of the land revenue at 25% of the nett income, the standardisation being intended to reduce the existing rates of land revenue, we may take it that that Committee was fairly convinced that the actual percentage on the average taken by the Government was something more than 25 per cent.

I myself conducted certain enquiries on my own, soon after the report of the Taxation Enquiry Committee was published and I remember I then came to the conclusion that the average percentage was probably nearer 33⅓ per cent than 25 per cent. Perhaps, rising prices during the period of the war have effected this calculation. Possibly, it may be about 25% now. A somewhat indignant correspondent writing to a local daily newspaper sometime ago, asked, "Is there anybody who is prepared to maintain that Government are taking 50% of the nett income? Is it not a fact that they are not taking more than 20 or 25 per cent?" I am quite willing to concede, not on the merits but for the sake of argument, that it is 20 per cent. Even so, I consider, it is a very heavy percentage to impose as a tax on any kind of income, especially when it is not combined with any exemption at the bottom or graduation of rates.

It seems to me that it has become a fashion to say that the question whether land revenue is tax or rent is purely academic and nothing more. I rather think, especially after the publication of this Bill, that it is dangerous to treat it as merely academic. It is a matter of vital importance for us to insist that land revenue is a tax and not rent. If the Madras Government had faced up to an understanding of the true character of land revenue, they would probably have thought ten times before they put forward their present Bill before the public.

I do not know if it is necessary at all for me to go into any details on this question. But I will only read to you what I said in a memorandum on which the Indian Taxation Enquiry Committee examined me twenty years ago. I said :—

"Land revenue proper is a tax. It is not rent, nor can it be said to be partly rent and partly tax. It is a tax on the annual value of or the income from landed property. The rates of tax as compared with taxes imposed on the income derived from other forms of assets is so heavy and the methods of levy so indefensible that people have taken refuge in designating it a rent."

The Taxation Enquiry Committee obtained the views of many other people on this question. They were unable to agree among themselves and finally they put their conclusion in the following words :—

> "The Committee can best sum up their conclusion by saying that though they are divided in opinion as to whether or not the land revenue should be regarded as a tax on the individual who pays it, they are agreed that, since it forms a deduction from the national dividend, it should be taken into consideration in dealing with the question of the incidence of taxation on the country as a whole."

Rather subtle, the wording of that conclusion! They were divided on the question as to whether it was

a tax. Even those of the members who dissented from the view that it was tax were not prepared to commit themselves to the statement that it was rent. On the other hand, what they unanimously agreed on was that land revenue constituted a deduction from the national dividend, definitely indicating that it had the characteristics of a tax rather than of rent. But there is no need to dwell on this point any further. Nobody perhaps had greater knowledge of our land revenue system than Baden Powell. Many, many years ago he wrote :—

"Land revenue operates as a tax on agricultural incomes, a contribution to the State from the profits of land cultivation just as the income-tax is a contribution out of the profits of their industries and occupations."

It is important to remember that land revenue is a tax. It is only if you remember it and have it always before you that you will be able to form a correct judgment on the proposals of the Madras Government.

I shall now pass on to the hope expressed at the end of the Communique *viz.*, that the Madras Government look forward to this tax developing in such a way that the results will enable them to relieve the poorest class of ryots from the burden of taxation. This statement coming as it does from the Madras Government of the present day—a body of seasoned administrators—seems to me somewhat extraordinary. It is my firm conviction that it is not a practical proposition to think of exempting any piece of land from taxation *altogether*. Land will have to bear some kind of taxation having

regard to the relation that the State must maintain with land in this country. Both from the purely practical and financial point of view and from the point of view of history and of how things will have to develop in the future economy of this country it seems to me strange that a statement of this sort should have been made in a Government Press Communique.

I have said enough to show that land revenue constitutes a basic tax on agricultural income. I see from the Statement of Objects and Reasons appended to the new Bill that the Government have made a point of the fact that they are levying no super tax. If land revenue constitutes a basic tax on agricultural income, any new tax levied on the same incomes should be considered to be really in the nature of a super tax. This I wish particularly to emphasise. The principles that the Government are proposing to apply as regards the assessment and graduation of the new tax are however singularly inappropriate to the levy of super tax. The principles adopted are those pertaining to the basic tax on non-agricultural incomes, but these are incongruous in their application to agricultural incomes under existing conditions. Let me give you one or two examples of what I mean. They have given an exemption from this tax for total nett incomes up to Rs. 4,999, on the lines presumably of the exemption that is given up to Rs. 1,999 in the case of non-agricultural incomes. The principle underlying that exemption is that the tax should not be levied on that portion of a person's income which is absolutely necessary for the maintenance of a

reasonable standard of comfort. If Rs. 1,999 is good enough as an exemption limit for non-agricultural assessees, it seems odd that the exemption limit in the case of agricultural incomes should be placed at Rs. 4,999. Most of these non-agricultural income-tax assessees are urban dwellers. The minimum required for their standard of comfort must be really higher than the minimum required for rural dwellers. One would expect therefore that the minimum limit for exemption from agricultural income-tax should, if anything, have been lower than that for non-agricultural income-tax. Instead, the Government are proposing to exempt up to a much higher limit. Even with the exemption, if a man does get Rs. 2,000 by way of non-agricultural income, only the first Rs. 1,500 is exempted from tax and the other Rs.500 is liable to income-tax. Similarly in the case of the Rs. 5,000 limit, only the first Rs. 1,500 is to be exempted and the remaining Rs. 3,500 will be subject to a tax, provided the total income is Rs. 5,000 and over. If you grant what I contend for, namely that land revenue is a tax, you cannot shut your eyes to the fact that, in the assessment of land revenue, there is no exemption at the bottom and that land revenue will continue to be levied on the Rs. 1,500 for which they say exemption will be allowed in respect of the new tax. The proposals do not therefore alter the fact that every rupee of the nett income for land will have to come under contribution in the shape of land revenue. The whole thing looks so odd and indefensible from the point of view of principle. This is one of those incongruities which have persuaded

me to think that this measure is an ill-devised one. The new tax again is graduated up to Rs. 20,000. The basic income-tax on non-agricultural incomes is graduated up to Rs. 15,000 only. The rate works out to 13·5% only on an income of Rs. 15,000. The percentage of land revenue alone to income, even taking it at 20% is much higher than the highest rate of basic income-tax, viz. 2 as. 6 ps. which is levied on the entire balance above Rs. 15,000. In fact up to this limit and beyond up to any limit, land revenue alone will be a heavier burden on agricultural incomes than basic income-tax on non-agricultural incomes, even if you include the surcharge on it. And yet the Madras Government's scheme proposes to make the burden on agricultural incomes from Rs. 5,000 upwards, heavier still by an additional tax graduated up to Rs. 20,000, the maximum rate viz., 2½ annas, being levied on the balance above Rs. 20,000. The new tax should really be treated as a super-tax, though unfortunately it does not fulfil the characteristics of the latter owing to the exemption limit being put at the low level of Rs. 5,000 instead of at something like Rs. 25,000 or even higher, as also owing to the omission to graduate the rates on incomes above Rs. 20,000.

The Statement of Objects and Reasons refers only to two or three points. It says that it is equitable to levy a tax on agricultural incomes, that additional revenue is required and thirdly, that Bihar and Assam are already levying the tax and Bengal has published a Bill. Our conditions are certainly not the same as the conditions

in any of these provinces. They are predominently permanently settled areas, ours is pre-eminently a ryotwari area. What may be acceptable for permanently settled areas like Bengal, Bihar and Assam is not necessarily the basis for judging whether this tax will be a proper one to levy in ryotwari areas. With regard to the argument about money being required for postwar schemes, I would like to say this. The yield is expected to be about 40 lakhs. There is no postwar scheme, or even for that matter any part of any such scheme, which is inconvenienced for want of funds. The Madras Government are rolling in wealth just now. They have got revenue reserves and cash balance reserves to the tune of Rs. 56 crores, not to mention other smaller reserves. In the current year's budget there is a surplus of 80 lakhs after putting into the revenue reserve a sum of Rs. 10 crores. It cannot therefore be that they want money now. If they want money when postwar schemes on any considerable scale have to be implemented, before the time comes for doing so, I am sure they will have been replaced by another government, a popular government which would be able to act with the support of the Legislature. Why not leave this particular matter to the future government? There is possibly another way of looking at it. I anticipate that the financial experts of the Madras Government might say "We want to embark on very large schemes of postwar expansion. It is not merely that we want money for financing these schemes but we want also to broaden the bases of our revenue resources so that we shall be in a position to finance all these fine programmes and later

on undertake other programmes." To say that a revenue of 40 lakhs in a year out of a total revenue of something like 38 crores—and if the hope of the Government is realised, *viz.*, that the proceeds of the new tax will enable them to relieve the poorest class or ryots from taxation altogether this sum of Rs. 40 lakhs and more will be required to cover the loss—is going to broaden the basis of taxation is something which does not carry conviction. I shall be as much convinced by it, or rather as little convinced by it, as I was when the Finance Member of the Government of India said that by levying a tax on betel-nuts and realising something like 60 to 80 lakhs in a year out of a total revenue receipt of Rs. 275 crores he would be broadening the basis of central taxation. The only thing that resulted from the levy of that tax was a certain amount of very intensive irritation among a number of small people who owned areca gardens on the West Coast. Beyond that I do not think it made any appreciable difference to the revenue or financial position of the Government of India.

The only seemingly plausible contention in favour of the proposal is that it is equitable to levy a tax on agricultural incomes. I agree. I have already stated that I have been myself an advocate of a tax on agricultural income for over a quarter of a century. I have put the suggestion to committees and officially on occasions to the Government in one form or another. But I object to this particular tax on agriculture incomes mainly on two grounds. Firstly it imposes an oppressively heavy burden on the lower grades of agricultural income, and

secondly, it does not impose an adequate rate of tax on the higher agricultural incomes. Let us remember that there is a tax on agricultural incomes already in the shape of land revenue. It is notoriously inequitable in its incidence. If we are going to interfere with the existing tax on agricultural incomes it should be done only in such a way that the inequities and inequalities of the present system are reduced to the minimum. If we could do this without substantially embarrassing the Government financially, that, in my opinion, is the utmost that can be expected from a re-ordering of our system of taxation of land. No new taxation of agricultural income can afford to ignore or fail to take note of the incidence of land revenue. If this is taken into account it should be realised that the land revenue itself will have to be modified suitably in order to permit of an additional tax on agricultural incomes being superimposed on it. The super-imposition without such modification will not make for equity but add to the existing inequity in the taxation of land. I am afraid this bigger problem has not been faced up to by the Madras Government.

Again equity would demand that as far as possible the tax burden on agricultural incomes should be brought into line with that on non-agricultural incomes. The present proposal however would, I am afraid eliminate any prospect of achieving such equity. The result of implementing it will be to place on agricultural incomes up to Rs. 30 and Rs. 40 thousand a heavier total burden than on non-agricultural

incomes. The discrepancy will be greater in the case of the lower incomes than in the case of the higher. On income of Rs. 40,000 to Rs. 50,000 and over, the total burden will be smaller in the case of agricultural than in the case of non-agricultural incomes, the discrepancy being greater as we go higher up the scale. (At this stage Sir N. Gopalaswami Ayyangar illustrated what he meant by referring to the figures he had got worked out in tabular statements comparing the incidence of the burden on agricultural and non-agricultural incomes. These statements are annexed). It would seem to follow that, if you leave the present land revenue untouched with all its inequities and inequalities, and desire merely to make agricultural incomes of large amounts bear a burden commensurate with that borne by non-agricultural incomes of similar amounts, you ought frankly to levy a super-tax on agricultural incomes. If land revenue is taken as equivalent to 20% of nett income from agriculture, you will have to put your exemption limit for the super-tax at Rs. 25,000. If you take it as 25% the exemption limit for the super tax will have to be about Rs. 40,000 and if you take it as 33⅓% the exemption limit will have to be something like Rs. 50,000. There appears to be an impression that the Government have done a very generous thing in placing the exemption limit at Rs. 5,000. As a matter of fact, I do not think there is any generosity in it at all. If they were to do justice to agricultural incomes, they ought to raise the exemption limit in the manner I have indicated. If you levy super tax above these limits and if you

graduate the rates on the same lines as in the case of non-agricultural incomes, agricultural incomes above these limits will have to pay a much heavier total tax than they would have to pay both as land revenue and as additional tax under the proposed Bill. I do not want anybody to misapprehend what I am saying. If you are going to retain land revenue as it is to-day and superimpose on it an additional income tax then you ought to take steps for exempting the burden on the income upto the limits I have mentioned and you will have at the same time to be prepared for levying higher rates of taxation on incomes above these limits.

I would like to refer to permanently settled estates at this point. This I think is a matter which requires very special attention. The contribution which land revenue in ryotwari areas makes to the State according to the figures available to me is something like Rs. 2·3 per cent. The corresponding figure of peshkash for the 9 most important permanently settled estates in the province mentioned in the Board of Revenue Report for Fasli 1350 would be Rs. 0·7 per acre. The total revenue realised in these estates by the Zamindar was Rs. 85.04 lakhs, the peshkash paid being Rs. 21·95 lakhs or 25·6%. The total revenue paid by the ryots in the estates works out tax Rs. 2·9 per acre as against Rs. 2·3 per acre in ryotwari areas. Taking all the Zamindaris in the province together, the total revenue realised by the Proprietors is Rs. 204.3 lakhs out of which only a sum of Rs. 47.48 lakhs, or roughly 23.2 per cent, is paid to the Government. The inference that these figures suggest is that the ryots in permanently settled estates pay on an

average 25 per cent more in the shape of revenue to their Zamindars than the ryots in the ryotwari areas pay to the Government. Even if the ryots payment in permanently settled areas is taken on the average to be the same percentage of his nett agricultural income as the land revenue paid in ryotwari areas, say 25 per cent the peshkash can be said to represent only ¼ of this 25 per cent or 6¼ per cent. On general grounds, therefore, there would seem to be a case for re-adjusting the tax burdens on agricultural incomes in the permanently settled and ryotwari areas so as gradually to approximate to each other. This requires very careful working out. The proposals in the new Bill, however, I can assure you, are hardly calculated to bring this about. If the super-tax minimum is raised without any progressive graduation of rates in the case of higher incomes, the yield of the tax will be so poor that the attempt would not be worth while. The vast bulk of assessees under this Bill will be those who earn agricultural incomes from Rs. 5,000 to Rs. 40,000. If the rates on higher agricultural incomes are graduated progressively as in the case of the super-tax on non-agricultural incomes—the rates on non-agricultural incomes range from 1 anna in the rupee with a surcharge of 1 anna in the case of incomes between Rs. 25,000 and Rs. 35,000 to 7 annas in the rupee with a surcharge of 3 as. 6 ps., on the excess over Rs. 5 lakhs—the tax should bear heavily on Zamindars and on very large ryotwari holders. It is obviously unreasonable, however, that the burden on agricultural incomes up to Rs. 40,000 and Rs. 50,000 should be heavier than on non-agricultural incomes but that no steps should be taken to make the

burden on agricultural incomes above that limit at least approximate to the burden on the corresponding levels of non-agricultural incomes.

There is one queer feature in the provisions of this Bill. Amongst the deductions which are allowed to be made before arriving at the nett agricultural income is the land revenue paid to the Government. This deduction would be a rather unique feature in income taxation. It would be justifiable only if you put land revenue on the same footing as the rent paid by an assessee to a superior land holder. This however, is inconsistent with the character of land revenue which is itself a tax on agricultural income. You will now see why it is that I have insisted so much on the position that land revenue is a tax and not rent.

The proposal of the Madras Government is not a mere temporary war time measure for raising additional resources for meeting exceptional expenditure in an emergency. It has been planned and put forward as part of a permanent addition to the provincial tax system. In itself it is a major change in the system of taxing land which has been in force for a very long time. A Section 93 administration can hardly be considered competent to attempt such a radical departure of a permanent nature from the existing state of things. The matter is one which should be left to be tackled by a normally constituted Government functioning with the aid, and under the control, of a duly elected Legislature.

The more I think of the provisions of the Bill, the more convinced am I that it is a measure on which no great amount of thought has been spent by any one, that nobody who can really give authoritative opinion as to how these provisions will work in practice has been taken into confidence and that none of those responsible for this measure is really aware what a great handicap it is going to be in the remodelling of our system of land taxation, which I think a properly constituted popular Government should embark on in the near future.

Statement showing the tax payable on for the

Income.	If non-agricultural.		Land Revenue at 20% of Col. No. (1).
	Income-tax basis plus surcharge with supertax and surcharge on incomes of over Rs. 25,000.		
Rs (1)	Rs. (2)	P. C. (3)	Rs. (4)
2,150	51	2·4	430
3,000	117	3·9	600
4,000	195	4·9	800
5,000	273	5·5	1,000
6,500	469	7·2	1,300
8,000	664	8·3	1,600
10,000	925	9·2	2,000
12,000	1,362	11·4	2,400
15,000	2,018	13·5	3,000
18,000	2,909	16·2	3,600
21,000	3,800	18·1	4,200
24,000	4,691	19·5	4,800
27,000	5,831	21·6	5,400
30,000	7,096	23·7	6,000
33,000	8,081	24·5	6,600
36,000	9,753	27·1	7,200
40,000	11,941	29·9	8,000
1,00,000	48,971	49·0	20,000
1,50,000	83,346	55·6	30,000
2,00,000	1,20,066	60·0	40,000
4,00,000	2,82 566	70·6	80,000
10,00,000	8.45,066	84·5	2,00,000

Note.—1. The figures in columns 2 and 3 have been taken from the statement in Part III of the Explanatory Memorandum on the Government of India Budget for 1945-46.

agricultural and non-agricultural incomes year 1945-46.

If agricultural

Net agricultural income after deducting land revenue.	Agricultural income-tax on amount in Col. (5).	Total tax on agricultural income Col. 4 and Col. 6.	
Rs. (5)	Rs. (6)	Rs. (7)	P. C. (8)
1,720	Nil.	430	20
2,400	Nil.	600	20
3,200	Nil.	800	20
4,000	Nil.	1,000	20
5,200	177	1,477	22·3
6,400	252	1,852	23·3
8,000	3 2	2,362	23·8
9,600	452	2,852	23·9
12,000	664	3,664	25
14,400	889	4,489	25
16,800	1,170	5,370	25·6
19,200	1,470	6,270	26·3
21,600	2,445	7.845	29·4
24,000	2,758	8,758	30·
25,400	3,195	9,795	30·2
28,800	3,590	10,790	30·3
32,000	4,070	12,070	30·3
80,000	10 945	30,345	30·9
1,20.000	17,195	47,195	31·4
1.60,000	23,445	63,445	31·7
3,20,000	48,445	1,28,445	32·1
8,00,000	1,24,075	3,24,075	32·4

2. The figures in column 6 have been worked out at the rates given in the Madras Government's Bill.

Statement showing the tax payable on
for the

Income.	If non-agricultural.		Land Revenue at 25% of Col. No. (1).
	Income-tax basis plus surcharge with supertax and surcharge on incomes of over Rs. 25,000.		
Rs. (1)	Rs. (2)	P.C. (3)	Rs. (4)
3,000	117	3·9	750
4,500	234	5·2	1,125
6,000	404	6·7	1,500
7,500	599	8·0	1,875
9,000	794	8·8	2,250
12,000	1,362	11·4	3,000
15,000	2,015	13·5	3,750
18,000	2,909	16 2	4,500
24,000	4,691	19·5	6,000
30,000	7,096	23 7	7,500
36,000	9,753	27·1	9,000
40,000	11,941	29·9	10,000
50,000	17,409	34·8	12,500
60,000	23,346	38·9	15,000
70,000	29,752	42·5	17,500
80,000	36,159	45·2	20,000
90,000	42,565	47·3	22,500
1,00,000	48,971	49·0	25,000
1,50,000	83,346	55·6	37,500
2,00,000	1,20,066	60 0	50,000
4,00,000	2,82,566	70·6	1,00,000
10,00,000	8,45,066	84·5	2,50,000

Note —1. The figures in columns 2 and 3 have been taken from the statement in Part III of the Explanatory Memorandum on the Government of India Budget for 1945–46.

agricultural and non-agricultural incomes year 1945–46.

If agricultural			
Net agricultural income after deducting land revenue.	Agricultural incomelax on amount in Col. (5).	Total tax on agricultural income Col. 4 and Col. 6.	
Rs. (5)	Rs. (6)	Rs. (7)	P. C. (8)
2,250	Nil	750	25·0
3,375	Nil	1,125	25·0
4,500	Nil	1,500	25·0
5,625	203	2,078	27·7
6,750	273	2,523	28·0
9,000	414	3,419	98·4
11,250	594	4,344	28·9
13,500	805	5,305	29·4
18,000	1,320	7,320	30·5
22,500	1,960	9,460	31·5
27,000	2,664	11,660	32·3
30 000	3,133	13,133	32·8
37,500	4,305	16,805	33·6
45,000	5,477	20,477	34·1
52,500	6,649	24,147	34·4
60,000	7,820	27,820	34·7
67 500	8,993	31,493	34·9
75,000	10,114	35,114	35·1
1,12,500	16,003	53,503	35·7
1,50,000	21,883	71,883	35·9
3,00 000	45,320	1,45,320	36·3
7,50 0 0	1,15.638	3,6[illegible],632	36 6

2. The figures in column 6 have been worked out at the rates given in the Madras Government's Bill.

Statement showing the tax payable on . for the

Income.	If non-agricultural		Land Revenue at 33 % of Col. No. (1).
	Income-tax basis plus surcharge with super-tax and surcharge on incomes of over Rs. 25,000.		
Rs. (1)	Rs. (2)	P. C. (3)	Rs. (4)
3,000	117	3·9	1,000
4,500	234	5·2	1,500
6,000	404	6·7	2,000
7,500	599	8·0	2,500
9,000	794	8·8	3,000
12,000	1,362	11·4	4,000
15,000	2,018	13·5	5,000
18,000	2,909	16·2	6,000
24,000	4 691	19·5	8,000
30,000	7,096	23·7	10,000
36,000	9,753	27·1	12,000
40,000	11,941	29·9	13,333
60,000	23,346	38·9	20,000
70,000	29,752	42·3	23,333
80,000	36,159	45·2	26,666
90,000	42,565	47·3	30,000
1,00,000	48.971	49·0	33,333
1,50,000	83,346	55·6	50,000
2,00,000	1,20,066	60·0	66.667
4,00, 00	2,82.566	70·6	1,33,333
1,00,0000	8,45,066	84·5	3,33,333

Note.—1. The figures in Columns 2 and 3 have been taken from the statement in Part III of the Explanatory Memorandum on the Government of India Budget for 1945-46.

agricultural and non-agricultural incomes year 1945-46.

If agricultural

Net agricultural income after deducting land revenue. Rs. (5)	Agricultural Income-tax on amount in Col. (5), Rs. (6)	Total tax on agricultural income Col. 4 and Col. 6. Rs. (7)	P. C. (8)
2,000	Nil	1 000	33·3
3 000	Nil	1,500	33·3
4 000	Nil	2,000	33·3
5,000	164	2,664	35·9
6,000	227	3.227	35·9
8,000	352	4,352	36·3
10,000	476	5,746	36.8
12,000	664	6,664	37·0
16,000	1,070	9,070	37·8
20,000	1,570	11,570	38·5
24,000	2,194	14,194	39·4
26 667	2,612	15.945	39·9
40,000	4,695	24,195	41·1
46,667	5,735	29.070	41·5
53.334	6,779	33,445	41·8
60,000	7,810	37,810	42·0
66,667	8,862	42,195	42·2
1,00,000	14,070	64,070	42·7
1 33,333	22,353	89,070	44·5
3,66,667	55,737	1,89,070	47·2
6,66,667	1,02,612	4,35,945	43·6

2. The figures in column 6 have been worked out at the rates given in the Madras Government's Bill.

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