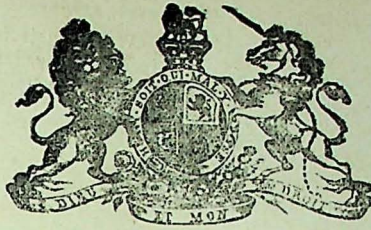


THE



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Separate paging is given to this Part, in order that it may be filed as a separate compilation.

PART VI.

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor General of India for the purpose of making Laws and Regulations on the 4th January 1886:—

Bill No. 1 of 1886.

A Bill for imposing a Tax on income derived from sources other than agriculture.

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A Bill for imposing a tax on income derived from sources other than agriculture.

WHEREAS it is expedient to impose a tax on income derived from sources other than agriculture; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

1. (1) This Act extends to the whole of British India, and applies also, within the dominions of Princes and States in India in alliance with Her Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor General in Council in that behalf; and

(2) It shall come into force at once.

2. The enactments specified in the first schedule to this Act are repealed, except as to fees payable and other sums due under those enactments and the mode of recovering the same.

3. In this Act, unless there is something repugnant in the subject or context,—

(1) "company" means an association carrying on business in British India, whose stock or funds is or are divided into shares and transferable, whether the company, is incorporated or not, and whether its principal place of business is situate in British India or not:

(2) "local authority" means any municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of any municipal or local fund:

(3) "pay" includes allowances, fees, commissions perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit under the Government or under a company or under a local authority or under any other public body or association not being a company; but it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure:

(4) "income" means income and profits accruing and arising in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any pay, annuity, pension or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf:

(5) "year of assessment" means a year beginning on the first day of April:

(6) "Magistrate" means a Presidency Magistrate or a Magistrate of the first or second class:

(7) "person" includes a firm and a Hindu undivided family:

(8) "defaulter" includes a company or firm making default under this Act:

(9) "Collector" means the chief officer in charge of the revenue-administration of a district, and in a presidency-town any officer whom the Local Government, by notification in the official Gazette, may, by name or by virtue of his office, appoint to be a Collector for the purposes of this Act; in the case of a company or firm, it means the Collector, as here defined, of the district or presidency-town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the Collector, defined as aforesaid, of the district or presidency-town in which the person has his residence:

(10) "principal officer," used with reference to a company or a local authority or any other public body or association not being a company, means—

(a) the secretary, treasurer, manager or agent of the company, authority, body or association; or

(b) any person connected with the company, authority, body or association upon whom the Collector has caused a notice to be served of his intention of treating him as the principal officer thereof:

(11) "Part" means a Part of the second schedule to this Act: and

(12) "prescribed" means prescribed by the Governor General in Council by notification in the *Gazette of India*, or by the Governor General in Council or a Local Government by rules made under this Act.

CHAPTER II.

LIABILITY TO TAX.

4. Subject to the exceptions mentioned in the next following section, Incomes liable to the tax. there shall be paid, in the year beginning with the first day of April, 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor General in Council directs, in respect of the sources of income specified in the first column of the second schedule to this Act, a tax at the rate specified in that behalf in the second column of that schedule.

5. (1) Nothing in section 4 shall render Exceptions. liable to the tax--

(a) any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land-revenue or subject to a local rate assessed and collected by officials of the Government, as such; or

(b) any income derived from—

(i) agriculture, or

(ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or

(iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or re-

ceived by him, when he does not keep a shop or stall for the sale of such produce; or

(c) any income derived from moveable or immoveable property solely employed for public, charitable or religious purposes; or

(d) any income which a person enjoys as a member of a firm or of a Hindu undivided family when the firm or the family is liable to the tax; or

(e) any interest on stock-notes; or

(f) the pay of any officer, warrant-officer, non-commissioned officer or private of Her Majesty's Forces or of Her Majesty's Indian Forces who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose pay does not exceed five hundred rupees per mensem; or

(g) any person whose income from all sources is less than five hundred rupees per annum.

(2) Nothing in section 4 shall render chargeable, under Part I of the second schedule to this Act, the pay of any person in the service of the Government whose pay does not amount to one hundred rupees per mensem.

6. The Governor General in Council may, by notification in the *Gazette of India*, exempt from liability to the tax the whole or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

7. In the case of a person receiving any pay, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the pay, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof.

8. (1) In the case of a person receiving any pay, annuity, pension or gratuity from a company or from a local authority or from any other public body or association not being a company, the tax to which he is liable under Part I shall, at the time of the payment to him of any of the pay, annuity, pension or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that officer within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2) If that officer does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

(3) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the Collector shall, be deducted when any pay, annuity, pension or gratuity is subsequently paid to the person liable to the tax.

(4) The power to deduct under this section shall be without prejudice to any other mode of recovery.

9. The principal officer of every company, and of every local authority, and of every other public body or association not being a company, shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

(a) the name of every person receiving at the date of the return any pay, annuity or pension from the company, authority, body or association, as the case may be; and

(b) the amount of the pay, annuity or pension so received by each such person.

B.—Profits of Companies.

10. The principal officer in British India of every company shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, a statement in writing signed by him showing—

(a) in the case of a shipping company having ships engaged in trade between British India and any other country, the nett profits made by each of those ships during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March; and,

(b) in the case of any other company, the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

11. (1) If the Collector has reason to believe that a statement delivered under section 10 is incorrect or incomplete, he may cause to be served

Power to require officers of companies to produce accounts.

on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced, for the inspection of the Collector such of the accounts of the company as refer to the year to which the statement relates and as are in his possession or power.

(2) On the day specified in the notice, or as soon afterwards as may be, the Collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II, and the time when the amount shall be paid, and, subject to the provisions in this Act contained, that amount shall be payable accordingly.

C.—Interest on Securities.

12. (1) The tax payable under Part III in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2) If that person does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

13. The Collector shall, from time to time, determine what persons are chargeable under Part IV, and the amount at which every person so chargeable shall be assessed.

14. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day of the year next before the year of assessment on which his accounts have been usually made up, or on the thirty-first day of March last preceding.

(2) In the case of a person for the first time becoming chargeable under Part IV within the year of assessment, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the Collector, under the circumstances, directs.

(3) In assessing under Part IV, in respect of income assessable under that Part, a person in the service of the Government, whose pay, by reason of its being less than one hundred rupees per mensem, is not chargeable under Part I, the Collector shall treat both the pay and the other income as chargeable under Part IV.

15. (1) The Collector shall at the prescribed time in each year prepare a list of the persons chargeable under Part IV whose annual income does not, in his opinion, amount to two thousand rupees.

(2) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely:—

(a) his name and the source or sources of the income in respect of which he is chargeable;

(b) the year or portion of the year for which the tax is to be paid;

(c) the place or places, district or districts, where the income accrues;

(d) the amount to be paid; and
 (e) the place where, and the person to whom, the amount is to be paid.

(3) The list shall be filed in the office of the Collector before the prescribed date, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4) The list so filed shall be open to inspection at all reasonable times without any payment.

(5) The list, or such part or parts thereof as the Collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6) The list to be prepared each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

16. In the case of a person chargeable under Part IV whose annual income is, in the Collector's opinion, two thousand rupees or upwards, the Collector shall cause a notice to be served on him stating the particulars (a) to (e), both inclusive, mentioned in Section 15, and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

17. (1) Notwithstanding anything contained in section 15 or section 16, the Local Government may make rules authorising or directing a Collector in specified cases, or classes of cases, to include in a list under section 15 any person who is liable to be served with a notice under section 16 instead of serving him with such a notice, and to serve a notice under section 16 on any person liable to be included in a list under section 15 instead of including him in such a list.

(2) Rules made under this section shall be published in the official Gazette.

18. (1) Every amount specified as payable in a list or notice prepared or served under section 15 or section 16 shall be paid within the time, and at the place, and to the person, mentioned in the list or notice.

Trustees, Agents, Managers and Incapacitated Persons.

19. A person being the trustee, guardian, curator or committee of any infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of the infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married

woman, lunatic or idiot is chargeable under Part IV, be chargeable under that Part in like manner and to the same amount as the infant would be chargeable if he were of full age, or the married woman if she were sole, or the lunatic or idiot if he were capable of acting for himself.

20. Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

21. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators General and Official Trustees of Bengal, Madras and Bombay, and the Official Trustees shall be chargeable under Part IV in respect of all income officially in their possession or under their control which is liable to assessment under that Part.

22. When a trustee, guardian, curator, committee or agent is, as such, assessed under Part IV, or when a receiver or manager appointed as aforesaid, a Court of Wards, Administrator General or Official Trustee is assessed under that Part in respect of income officially received,

the person or Court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee or agent, or as receiver, manager, Court of Wards, Administrator General or Official Trustee, retain so much as is sufficient to pay the amount of the assessment.

Occupying Owners.

23. Owners of houses or lands occupying the same shall be chargeable as occupying owners. Provision for tax on same shall be chargeable in respect of the annual value thereof at nine-tenths of the full rent at which the houses or lands are worth to be let for the year.

CHAPTER IV.

REVISION OF ASSESSMENT.

24. (1) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV may apply by petition to the Collector to have the assessment reduced or cancelled.

(2) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under section 15, or in the notice served under section 16, as the case may be. But the Collector may receive a petition after the expiration of that period if he is satisfied that the objector had sufficient cause for not presenting it within that period.

(3) The petition shall, as nearly as circumstances admit, be in the form contained in the third schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

25. The Collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon as he thinks fit.

26. Subject to the control of the Local Government, the Commissioner of the Division may, in his discretion, on the petition of any person deeming himself aggrieved by an order under section 11, sub-section (2), or section 25, call for the record of the case, and pass such order thereon as he thinks fit.

27. The Collector or Commissioner may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed; and may examine on oath the person so summoned and the petitioner, and may require either of them to produce any documents in his possession or power relating to the sources of the income to the assessment of which the petition relates:

Provided that the Collector or Commissioner shall not call for any evidence except at the instance of the petitioner or in order to ascertain the correctness of facts alleged by him.

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

28. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

29. (1) In any case of default under this Act the Collector may either recover a sum not exceeding double the amount of the tax as if it were an arrear of land-revenue, or pass an order that a sum not exceeding double that amount shall be recovered from the defaulter:

Provided that, where a person has presented a petition under section 24, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2) An order passed under sub-section (1) shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and the order may be enforced in manner provided by the Code of Civil

Proceduro for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters—

- (a) sales in execution of decrees,
- (b) arrest in execution of decrees for money,
- (c) execution of decrees by imprisonment,
- (d) claims to attached property, and
- (e) execution of decrees out of the jurisdiction of the Courts by which they were passed.

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be exercised and discharged by the Collector by whom the order has been made or to whom a copy thereof has been sent for execution according to the provisions of the said Code, sections 223 and 224.

(3) No sum payable under this Act shall be recoverable by any process whatsoever after the expiration of three months from the last day of the year in respect of which it is payable.

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Receipts.

30. When any money is paid under this Act to the Collector or is retained thereunder by him, he shall give a receipt for the same, specifying—

- (a) the date of the payment or recovery of the money;
- (b) the amount paid or recovered;
- (c) the person who was liable to the tax, and the source or sources of income in respect of which the tax was payable;
- (d) the year or part of the year for which the tax was payable;
- (e) the place or places, district or districts where the income accrues; and
- (f) such other particulars, if any, as may be prescribed.

Under-assessments and Over-assessments.

31. (1) If the Collector has reason to believe that, in assessing any person under this Act, any source of income not specified in the receipt given to him under section 30 has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a notice to be served on the person, stating the amount to be paid in respect of that source.

(2) The provisions contained in sections 16 and 18 and 24 to 27 (both inclusive) shall apply to the notice and regulate the procedure thereunder.

32. (1) If during or within two months from the end of the year for which an assessment under Part IV has been made, the person assessed proves to the satisfaction of the Collector that his income during that year will be or has been less than the sum on which the assessment under that Part was made, the Collector may cause the assessment made for

the year to be amended as the case requires, and refund such sum, if any, as has been overpaid.

(2) If a company or person assessed under Part II or Part IV ceases to carry on the trade or business in respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person or its or his representative in interest may apply to the Collector within three months after the end of the year, and the Collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require, and refund such sum, if any, as has been overpaid.

Penalties.

Failure to make payments or deliver returns or statements. 33. (1) If a person fails—

(a) to deduct and pay any tax as required by section 8, sub-section (1), or section 12, sub-section (1), or

(b) to deliver or cause to be delivered to the Collector in due time the return or statement mentioned in section 9 or section 10, or

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 11, such accounts as are referred to in the notice,

he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

34. If a person makes a statement in a petition presented under section 24 which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

35. No person shall be proceeded against for an offence under section 33 or section 34 except at the instance of the Collector.

36. In sections 193 and 228 of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Power to make Rules.

37. (1) The Governor General in Council may make rules consistent with this Act for the ascertainment of income liable to assessment and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) Rules made under this section shall be published in the official Gazette.

Miscellaneous.

38. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

39. All or any of the powers and duties conferred and imposed by this Act on a Collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

40. Every person shall be legally bound to furnish in the prescribed manner and at the prescribed times such information as any officer or person exercising all or any of the powers of a Collector under this Act may require from him for the purposes of this Act.

41. (1) A notice under this Act may be served on the person therein named either by post or by the delivery or tender to him of a copy of the notice.

(2) If a notice is served by post, it shall be deemed to have been served at the time when it would be delivered in the ordinary course of post, and in proving the service it shall be sufficient to prove that the notice was properly addressed and put into the post.

(3) If the notice is to be served otherwise than by post the service shall, whenever it may be practicable, be on the person named in the notice or, in the case of a firm or a Hindu undivided family, on some member thereof:

(4) But when the person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving-officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells or carries on business.

42. (1) When a company or firm has several places of business in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

(2) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3) When a person has several places of residence in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(4) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5) The powers given by this section may be delegated to and exercised by such officers as the Governor General in Council or the Local Government, as the case may be, appoints in this behalf.

43. Where a person is in respect of any period liable to the tax under this Act, he shall not in respect of that period be assessed to the pândhari tax levied in the Central Provinces under Act XIV of 1867, or to the capitation-tax, or the land rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

II of 1876.

44. Every person deducting, retaining or paying any tax in pursuance of this Act in respect of income belonging to another person is hereby indemnified for the deduction, retention or payment thereof.

45. All powers conferred by or conferrable under this Act on the Governor General in Council or on a Local Government may be exercised from time to time as occasion requires.

THE FIRST SCHEDULE.

ENACTMENTS REPEALED.

(See section 2.)

ACTS OF THE GOVERNOR GENERAL IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. II of 1878.	The Northern India License Act, 1878.	So much as has not been repealed.
Act No. VI of 1880.	The Indian License Acts Amendment Act, 1880.	The whole.

ACTS OF THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. III of 1878.	The Madras License Act, 1878.	So much as has not been repealed.
Act No. III of 1880.	An Act to amend Madras Act III of 1878 as amended by Act VI of 1880.	The whole.

ACT OF THE GOVERNOR OF BOMBAY IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. III of 1878.	The Bombay License Act, 1878.	So much as has not been repealed.

ACT OF THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. II of 1880.	The Bengal License Act, 1880.	The whole.

THE SECOND SCHEDULE.
SOURCES OF INCOME AND RATES OF TAX.
(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.

PART I.

SALARIES AND PENSIONS.

- Any pay, annuity, pension or gratuity paid in British India by the Government, or by a company, or by a local authority, or by any other public body or association not being a company, to any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.
- Any pay, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.

(a) If the income amounts to Rs. 2,000 per annum, or Rs. 166-10-8 per mensem, or upwards—five pies in the rupee.

(b) If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem—four pies in the rupee.

PART II.

PROFITS OF COMPANIES.

- Profits of a shipping company having ships engaged in trade between British India and any other country.
- Profits of any other company.

Five pies in the rupee on one moiety of the nett profits made by each of those ships during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

Five pies in the rupee on the whole of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1886, and payable in British India, on—

(a) promissory notes, debentures, stock or other securities of the Government of India, not being stock-notes, or

(b) bonds or debentures charged by the Imperial Parliament on the revenues of India, or

(c) stock or debentures of, or shares in, railway or other companies, the interest whereon has been guaranteed by the Secretary of State for India in Council, or

(d) debentures or other securities for money issued by or on behalf of a local authority.

Five pies in the rupee on such interest, unless the owner of the security produces a certificate signed by the Collector that his annual income from all sources is less than Rs. 500, in which case no deduction shall be made from the interest, or unless he produces a like certificate that his income from all sources is less than Rs. 2,000, in which case the rate shall be four pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this schedule.	(a) If the annual income is assessed at—		the tax shall be Rs.
	not less than Rs.	but at less than Rs.	
" " " "	500	750	10
" " " "	750	1,000	15
" " " "	1,000	1,250	20
" " " "	1,250	1,500	25
" " " "	1,500	1,750	30
" " " "	1,750	2,000	40

(b) if the annual income is assessed at Rs. 2,000 or upwards,—five pies in the rupee on the income.

THE THIRD SCHEDULE.

FORM OF PETITION.

(See section 24.)

TO THE COLLECTOR OF

The day of 188 .

The petition of A. B. of

SHEWETH as follows—

1.—Under Act No. of 1886, your petitioner has been assessed in the sum of rupees for the year commencing the first day of April 188 .

2.—Your petitioner's income and profits accruing and arising from [here specify petitioner's trade or other source or sources of income or profits and the place or places at which such income or profits accrues or arise] for the year ending the day of last were rupees as will appear from the documents of which a list* is presented herewith.

3.—Such income and profits actually accrued and arose during a period of months and days [here state the exact number of months and days in which the income and profits accrued and arose].

4.—During the said year your petitioner had no other income or profits.

* This list, if the petitioner so wishes, may be presented in a sealed envelope.

Your petitioner therefore prays that he may be assessed accordingly [or that he may be declared not to be chargeable under the said Act].

(Signed) A. B.

Form of Verification.

I, A. B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A. B.

STATEMENT OF OBJECTS AND REASONS.

It having been found necessary to have recourse to legislation for the purpose of increasing the public revenues, it has been decided to extend the existing License Tax to offices, employments and professions, and, generally, to make liable to assessment all incomes derived from sources other than agriculture.

The existing License Tax Acts are repealed and a single Act for all India is substituted.

The rate of the tax has been slightly raised, and the area of its incidence has been, as above stated, extended; but the principles of the License Tax are closely followed in the case of annual incomes below Rs. 2,000, and the procedure and machinery for assessment and collection are maintained in the case of all incomes so far as is consistent with the altered conditions of the tax.

(Signed) A. COLVIN.

The 4th January 1886.

S. HARVEY JAMES,

Offg. Secretary to the Government of India.

[Published with the "Bombay Government Gazette" on the 14th January 1886.]

PART VI.

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor General of India for the purpose of making Laws and Regulations on the 23rd December 1885, and was referred to a Select Committee :—

No. 20 of 1885.

A Bill to amend Act XXXVI. of 1858.

Whereas it is expedient to amend Act XXXVI. of 1858 (*an Act relating to Lunatic Asylums*); It is hereby enacted as follows:—

1. After section 18 of the said Act the following section shall be inserted, namely:—

“When an Executive Government has not established within its limits a public asylum for the reception and detention of lunatics under this Act, the Governor General in Council may, from time to time, appoint an asylum established in British India beyond those limits to be an asylum to which a Magistrate or Judge exercising jurisdiction within those limits may send lunatics as

to an asylum established under this Act for the division in which his jurisdiction is situate.”

STATEMENT OF OBJECTS AND REASONS.

In some of the smaller Provinces, such as Coorg and the Andaman and Nicobar Islands, the Local Governments have not established asylums under Act XXXVI. of 1858 for the reception and detention of lunatics. Occasions have, however, arisen on which inconvenience has been experienced by reason of there not being asylums to which Magistrates exercising jurisdiction in those Provinces may send lunatics under the provisions of the Act. The object of this Bill is to enable the Governor General in Council to appoint asylums to which lunatics may be sent from those Provinces.

(Signed) S. C. BAYLEY.

The 18th December 1885.

S. HARVEY JAMES,
Offg. Secretary to the Government of India.

[Published with the "Bombay Government Gazette" on the 21st January 1886.]

PART VI.

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(Signed) S. C. BAYLEY.

The 18th December 1885.

S. HARVEY JAMES,
Offg. Secretary to the Government of India.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor General of India for the purpose of making Laws and Regulations on the 4th January 1886:—

Bill No. 1 of 1886.

A Bill for imposing a Tax on income derived from sources other than agriculture.

CONTENTS.**CHAPTER I.****PRELIMINARY.****SECTION.**

1. Extent and commencement.
2. Repeal.
3. Definitions.

CHAPTER II.**LIABILITY TO TAX.**

4. Incomes liable to the tax.
5. Exceptions.
6. Power to make exemptions.

CHAPTER III.**ASSESSMENT AND COLLECTION.****A.—Salaries and Pensions.**

7. Mode of payment in case of Government officials and pensioners.

SECTION.

8. Mode of payment in case of servants and pensioners of companies and other associations.
9. Annual return by principal officer of company or association.

B.—Profits of Companies.

10. Annual statement of nett profits.
11. Power to require officers of companies to produce accounts.

C.—Interest on Securities.

12. Mode of payment of tax on interest on securities.

D.—Other Sources of Income.*Ordinary Mode of Assessment and Collection.*

13. Collector to determine persons chargeable.
14. Mode of making assessment.
15. List of incomes under two thousand rupees.
16. Notices to persons with incomes of two thousand rupees and upwards.
17. Exceptions to the last two preceding sections.
18. Time and place of payment.

Trustees, Agents, Managers and Incapacitated Persons.

19. Trustees, guardians and Committees of incapacitated persons to be charged.
20. Non-residents to be charged in names of their agents.
21. Receivers, managers, Courts of Wards, Administrators General and Official Trustees.
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Occupying Owners.

23. Provision for tax on occupying owners.

SECTION.

CHAPTER IV.

REVISION OF ASSESSMENT.

24. Petition to Collector against assessment under Part IV.
25. Hearing of petition.
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27. Power to summon persons to give necessary information.

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28. Tax when payable.
29. Mode and time of recovery.

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SUPPLEMENTAL PROVISIONS.

Receipts.

30. Receipts and their contents.
Under-assessments and Over-assessments.
31. Correction of under-assessment.
32. Correction of over-assessment.

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33. Failure to make payments or deliver returns or statements.
34. False statement in petition.
35. Prosecution to be at instance of Collector.
36. Sections 193 and 228 of Penal Code to apply to proceedings.

Power to make Rules.

37. Power to make rules.

Miscellaneous.

38. Bar of suits in Civil Court.
39. Exercise of powers of Collector and Commissioner.
40. Obligation to furnish information.
41. Service of notices.
42. Power to declare principal place of business or residence.
43. Saving in favour of payers of pândhari and capitation taxes.
44. Indemnity.
45. Powers exercisable from time to time.

THE FIRST SCHEDULE.—ENACTMENTS REPEALED.

THE SECOND SCHEDULE.—SOURCES OF INCOME AND RATES OF TAX.

THE THIRD SCHEDULE.—FORM OF PETITION.

A Bill for imposing a tax on income derived from sources other than agriculture.

WHEREAS it is expedient to impose a tax on income derived from sources other than agriculture; It is hereby enacted as follows:—

CHAPTER I.

PRELIMINARY.

1. (1) This Act extends to the whole of British India, and applies also, within the dominions of Princes and States in India in alliance with Her Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor General in Council in that behalf; and
[Trades and Professions Tax Bill, 1879, s. 1.]
- (2) It shall come into force at once.
2. The enactments specified in the first schedule to this Act are repealed, except as to fees payable and other sums due under those enactments and the mode of recovering the same.
[Ben. Act II, 1880, s. 2.]
3. In this Act, unless there is something repugnant in the subject or context,—
Definitions.

(1) "company" means an association carrying on business in British India, whose stock or funds is or are divided into shares and transferable, whether the company is incorporated or not, and whether its principal place of business is situate in British India or not:
[Act VIII, 1872, s. 2.]

(2) "local authority" means any municipal committee, district board, body of port commissioners or other authority legally entitled to, or entrusted by the Government with, the control or management of any municipal or local fund:
[Act XIII, 1885, s. 3.]

(3) "pay" includes allowances, fees, commissions, perquisites or profits received, in lieu of or in addition to a fixed salary, in respect of an office or employment of profit under the Government or under a company or under a local authority or under any other public body or association not being a company; but it does not include travelling, tentage, horse or supplementary allowance, or any other allowance granted to meet specific expenditure:
[Trades and Professions Tax Bill, 1879, s. 12.]

(4) "income" means income and profits accruing and arising in British India, and includes, in the case of a British subject within the dominions of a Prince or State in India in alliance with Her Majesty, any pay, annuity, pension or gratuity payable to that subject by the Government or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf:
[Act VIII, 1872, s. 2.]

(5) "year of assessment" means a year beginning on the first day of April:
[Act IX, 1869, s. 3.]

(6) "Magistrate" means a Presidency Magistrate or a Magistrate of the first or second class:
[Act VIII, 1872, s. 2.]

(7) "person" includes a firm and a Hindu undivided family:
[Act VIII, 1872, s. 2.]

(8) "defaulter" includes a company or firm making default under this Act:
[Act VIII, 1872, s. 2.]

[Act VIII, 1872, s. 2, and Trades and Professions Tax Bill, 1879, s. 3.]

(9) "Collector" means the chief officer in charge of the revenue-administration of a district, and in a presidency-town any officer whom the Local Government, by notification in the official Gazette, may, by name or by virtue of his office, appoint to be a Collector for the purposes of this Act; in the case of a company or firm, it means the Collector, as here defined, of the district or presidency-town in which its principal place of business in British India is situate; and, in the case of any other person chargeable under this Act, it means the Collector, defined as aforesaid, of the district or presidency-town in which the person has his residence:

[New.]

(10) "principal officer," used with reference to a company or a local authority or any other public body or association not being a company, means—

[cf. Act VIII, 1872, s. 45.]

- (a) the secretary, treasurer, manager or agent of the company, authority, body or association; or
- (b) any person connected with the company, authority, body or association upon whom the Collector has caused a notice to be served of his intention of treating him as the principal officer thereof:

[New.]

(11) "Part" means a Part of the second schedule to this Act: and

[New.]

(12) "prescribed" means prescribed by the Governor General in Council by notification in the *Gazette of India*, or by the Governor General in Council or a Local Government by rules made under this Act.

CHAPTER II.

LIABILITY TO TAX.

[Act VII, 1872, ss. 5, 10, 14 and 16.]

4. Subject to the exceptions mentioned in the next following section, Incomes liable to the tax. there shall be paid, in the year beginning with the first day of April, 1886, and in each subsequent year, to the credit of the Government of India, or as the Governor General in Council directs, in respect of the sources of income specified in the first column of the second schedule to this Act, a tax at the rate specified in that behalf in the second column of that schedule.

5. (1) Nothing in section 4 shall render Exceptions. liable to the tax—

[New.]

(a) any rent or revenue derived from land which is used for agricultural purposes and is either assessed to land-revenue or subject to a local rate assessed and collected by officials of the Government, as such; or

[Act VI, 1880, ss. 3, 9 and 13: Ben. Act II, 1880, s. 5: and Act XIV, 1867, s. 1.]

(b) any income derived from—

- (i) agriculture, or
- (ii) the performance by a cultivator or receiver of rent-in-kind of any process ordinarily employed by a cultivator or receiver of rent-in-kind to render the produce raised or received by him fit to be taken to market, or
- (iii) the sale by a cultivator or receiver of rent-in-kind of the produce raised or re-

ceived by him, when he does not keep a shop or stall for the sale of such produce; or

(c) any income derived from moveable or immoveable property solely employed for public, charitable or religious purposes; or

(d) any income which a person enjoys as a member of a firm or of a Hindu undivided family when the firm or the family is liable to the tax; or

(e) any interest on stock-notes; or

(f) the pay of any officer, warrant-officer, non-commissioned officer or private of Her Majesty's Forces or of Her Majesty's Indian Forces who is not in an employment which, according to the ordinary practice, is held indifferently by military persons and civilians, and whose pay does not exceed five hundred rupees per mensem; or

(g) any person whose income from all sources is less than five hundred rupees per annum.

(2) Nothing in section 4 shall render chargeable, under Part I of the second schedule to this Act, the pay of any person in the service of the Government whose pay does not amount to one hundred rupees per mensem.

6. The Governor General in Council may, by notification in the *Gazette of India*, exempt from liability to the tax the whole or any part of the income of any class or tribe, or of any persons residing in any specified area, and may, by a like notification, revoke the exemption.

CHAPTER III.

ASSESSMENT AND COLLECTION.

A.—Salaries and Pensions.

7. In the case of a person receiving any pay, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the pay, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof.

8. (1) In the case of a person receiving any pay, annuity, pension or gratuity from a company or from a local authority or from any other public body or association not being a company, the tax to which he is liable under Part I shall, at the time of the payment to him of any of the pay, annuity, pension or gratuity, be deducted therefrom by the officer whose duty it is to make the payment, and be paid by that officer within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2) If that officer does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax.

[Act VIII,
1872, s. 9.]

(3) If, when any payment is made, the tax is from any cause not deducted, it may, and on the requisition of the Collector shall, be deducted when any pay, annuity, pension or gratuity is subsequently paid to the person liable to the tax.

[New.]

(4) The power to deduct under this section shall be without prejudice to any other mode of recovery.

[Act VIII,
1872, s. 8.]

9. The principal officer of every company, and of every local authority, and of every other public body or association not being a company, shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, in the prescribed form, a return in writing showing—

(a) the name of every person receiving at the date of the return any pay, annuity or pension from the company, authority, body or association, as the case may be; and

(b) the amount of the pay, annuity or pension so received by each such person.

B.—Profits of Companies.

[Act VIII,
1872, ss. 10
and 11.]

10. The principal officer in British India of every company shall prepare, and, on or before the fifteenth day of April in each year, deliver or cause to be delivered to the Collector, a statement in writing signed by him showing—

(a) in the case of a shipping company having ships engaged in trade between British India and any other country, the nett profits made by each of those ships during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March; and,

(b) in the case of any other company, the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

Act VIII,
1872, s. 12.]

11. (1) If the Collector has reason to believe that a statement delivered under section 10 is incorrect or incomplete, he may cause to be served on the principal officer of the company a notice requiring him, on or before a date to be therein mentioned, either to attend at the Collector's office and produce, or to cause to be there produced, for the inspection of the Collector such of the accounts of the company as refer to the year to which the statement relates and as are in his possession or power.

(2) On the day specified in the notice, or as soon afterwards as may be, the Collector shall, by an order in writing, determine the amount at which the company shall be assessed under Part II, and the time when the amount shall be paid, and, subject to the provisions in this Act contained, that amount shall be payable accordingly.

C.—Interest on Securities.

12. (1) The tax payable under Part III in respect of the interest on any of the securities mentioned in that Part shall, at the time when and place where any of the interest is paid, be deducted therefrom by the person empowered to pay the interest, and be paid by that person within the prescribed time to the credit of the Government of India or as the Governor General in Council directs.

(2) If that person does not deduct and pay the tax as required by sub-section (1), he shall, without prejudice to any other consequences which he may incur, be deemed to be personally in default in respect of the tax. [New.]

D.—Other Sources of Income.

Ordinary Mode of Assessment and Collection.

13. The Collector shall, from time to time, determine what persons are chargeable under Part IV, and the amount at which every person so chargeable shall be assessed. [Act VIII,
1872, s. 25.]

14. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day of the year next before the year of assessment on which his accounts have been usually made up, or on the thirty-first day of March last preceding. [Act VIII,
1872, s. 26.]

(2) In the case of a person for the first time becoming chargeable under Part IV within the year of assessment, or within the year next before that year, the assessment shall be made according to an average of his income for such period as the Collector, under the circumstances, directs.

(3) In assessing under Part IV, in respect of income assessable under that Part, a person in the service of the Government, whose pay, by reason of its being less than one hundred rupees per mensem, is not chargeable under Part I, the Collector shall treat both the pay and the other income as chargeable under Part IV. [Act VIII,
1872, s. 25.]

15. (1) The Collector shall at the prescribed time in each year prepare a list of the persons chargeable under Part IV whose annual income does not, in his opinion, amount to two thousand rupees. [Licence Tax
Acts. See
Bom. Act III,
1878, s. 25,
and 10. See
also Act VIII,
1872, s. 27.]

(2) The list shall be in the prescribed language or languages, and shall state in respect of every such person the following particulars, namely:—

(a) his name and the source or sources of the income in respect of which he is chargeable;

(b) the year or portion of the year for which the tax is to be paid;

(c) the place or places, district or districts, where the income accrues;

(d) the amount to be paid; and

(e) the place where, and the person to whom the amount is to be paid.

(3) The list shall be filed in the office of the Collector before the prescribed date, with a notification prefixed thereto requiring every person mentioned in the list to pay, within sixty days from a date specified in the notification, the amount stated in the list as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

(4) The list so filed shall be open to inspection at all reasonable times without any payment.

(5) The list, or such part or parts thereof as the Collector thinks fit, with the notification prefixed thereto, shall be further published in such manner as the Local Government may consider to be best adapted for giving information to all persons concerned.

(6) The list to be prepared each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

16. In the case of a person chargeable under Part IV whose annual income is, in the Collector's opinion, two thousand rupees or upwards, the Collector shall cause a notice to be served on him stating the particulars (a) to (e), both inclusive, mentioned in Section 15, and requiring him to pay, within sixty days from a date specified in the notice, the amount stated therein as payable by him, or to apply to the Collector, within thirty days from that date, to have the assessment reduced or cancelled.

Notices to persons with incomes of two thousand rupees and upwards.

17. (1) Notwithstanding anything contained in section 15 or section 16, the Local Government may make rules authorising or directing a Collector in specified cases, or classes of cases, to include in a list under section 15 any person who is liable to be served with a notice under section 16 instead of serving him with such a notice, and to serve a notice under section 16 on any person liable to be included in a list under section 15 instead of including him in such a list.

(2) Rules made under this section shall be published in the official Gazette.

18. (1) Every amount specified as payable in a list or notice prepared or served under section 15 or section 16 shall be paid within the time, and at the place, and to the person, mentioned in the list or notice.

Trustees, Agents, Managers and Incapacitated Persons.

19. A person being the trustee, guardian, curator or committee of an infant, married woman subject to the law of England, lunatic or idiot, and having the control of the property of the infant, married woman, lunatic or idiot, whether the infant, married woman, lunatic or idiot resides in British India or not, shall, if the infant, married

woman, lunatic or idiot is chargeable under Part IV, be chargeable under that Part in like manner and to the same amount as the infant would be chargeable if he were of full age, or the married woman if she were sole, or the lunatic or idiot if he were capable of acting for himself.

20. Any person not resident in British India, whether a subject of Her Majesty or not, being in receipt, through an agent, of any income chargeable under Part IV, shall be chargeable under that Part in the name of the agent in the like manner and to the like amount as he would be chargeable if he were resident in British India and in direct receipt of that income.

21. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators General and Official Trustees of Bengal, Madras and Bombay, and the Official Trustees shall be chargeable under Part IV in respect of all income officially in their possession or under their control which is liable to assessment under that Part.

22. When a trustee, guardian, curator, committee or agent is, as such, assessed under Part IV, or when a receiver or manager appointed as aforesaid, a Court of Wards, Administrator General or Official Trustee is assessed under that Part in respect of income officially received,

the person or Court so assessed may, from time to time, out of the money coming to his or its possession as trustee, guardian, curator, committee or agent, or as receiver, manager, Court of Wards, Administrator General or Official Trustee, retain so much as is sufficient to pay the amount of the assessment.

Occupying Owners.

23. Owners of houses or lands occupying the same shall be chargeable in respect of the annual value thereof at nine-tenths of the full rent at which the houses or lands are worth to be let for the year.

CHAPTER IV.

REVISION OF ASSESSMENT.

24. (1) Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, under Part IV may apply by petition to the Collector to have the assessment reduced or cancelled.

(2) The petition shall ordinarily be presented within the period specified in the notification prefixed to the list filed under section 15, or in the notice served under section 16, as the case may be. But the Collector may receive a petition after the expiration of that period if he is satisfied that the objector had sufficient cause for not presenting it within that period.

[Act VIII, 1872, s. 27.]

[New of Bom. Act III, 1878, ss. 9 and 10, and Ben. Act II, 1880, s. 17.]

[Act VIII, 1872, s. 23.]

[Act VIII, 1872, s. 17.]

(3) The petition shall, as nearly as circumstances admit, be in the form contained in the third schedule to this Act, and the statements contained in the petition shall be verified by the petitioner or some other competent person in the manner required by law for the verification of plaints.

[Ben. Act II, 1880, s. 19.]

25. The Collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned the hearing, shall hear the petition and pass such order thereon as he thinks fit.

[Ben. Act II, 1880, s. 21.]

26. Subject to the control of the Local Government, the Commissioner of the Division may, in his discretion, on the petition of any person deeming himself aggrieved by an order under section 11, sub-section (2), or section 25, call for the record of the case, and pass such order thereon as he thinks fit.

[Act VIII, 1872, s. 34, and Ben. Act II, 1880, s. 22.]

27. The Collector or Commissioner may summon any person whom he thinks able to give evidence for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed; and may examine on oath the person so summoned and the petitioner, and may require either of them to produce any documents in his possession or power relating to the sources of the income to the assessment of which the petition relates:

Provided that the Collector or Commissioner shall not call for any evidence except at the instance of the petitioner or in order to ascertain the correctness of facts alleged by him.

CHAPTER V.

RECOVERY OF ARREARS OF TAX.

[Act VIII, 1872, s. 35.]

28. The tax chargeable under this Act shall be payable at the time appointed in that behalf in or under this Act, or, if a time is not so appointed, then on the first day of June in each year.

[Act VIII, 1872, s. 36.]

29. (1) In any case of default under this Act the Collector may either recover a sum not exceeding double the amount of the tax as if it were an arrear of land-revenue, or pass an order that a sum not exceeding double that amount shall be recovered from the defaulter:

Provided that, where a person has presented a petition under section 24, such sum shall not be recoverable from him unless, within thirty days from the passing of the order on the petition, he fails to pay the amount, if any, required by that order.

(2) An order passed under sub-section (1) shall have the force of a decree of a Civil Court in a suit in which the Government is the plaintiff and the defaulter is the defendant; and the order may be enforced in manner provided by the Code of Civil

Procedure for the enforcement of decrees for money; and the procedure under the said Code in respect of the following matters—

- (a) sales in execution of decrees,
- (b) arrest in execution of decrees for money,
- (c) execution of decrees by imprisonment,
- (d) claims to attached property, and
- (e) execution of decrees out of the jurisdiction of the Courts by which they were passed,

shall apply to every execution issued for levying the sum mentioned in the order; save that all the powers and duties conferred and imposed by the said Code upon the Court shall be exercised and discharged by the Collector by whom the order has been made or to whom a copy thereof has been sent for execution according to the provisions of the said Code, sections 223 and 224.

(3) No sum payable under this Act shall be recoverable by any process whatsoever after the expiration of three months from the last day of the year in respect of which it is payable. [Act II, 1878, s. 19.]

CHAPTER VI.

SUPPLEMENTAL PROVISIONS.

Receipts.

30. When any money is paid under this Act to the Collector or is received thereunder by him, he shall give a receipt for the same, specifying—

- (a) the date of the payment or recovery of the money;
- (b) the amount paid or recovered;
- (c) the person who was liable to the tax, and the source or sources of income in respect of which the tax was payable;
- (d) the year or part of the year for which the tax was payable;
- (e) the place or places, district or districts, where the income accrues; and
- (f) such other particulars, if any, as may be prescribed.

Under-assessments and Over-assessments.

31. (1) If the Collector has reason to believe that, in assessing any person under this Act, any source of income not specified in the receipt given to him under section 30 has been overlooked, which source, if it had then been known to exist, would have increased the assessment, the Collector may cause a notice to be served on the person, stating the amount to be paid in respect of that source.

(2) The provisions contained in sections 16 and 18 and 24 to 27 (both inclusive) shall apply to the notice and regulate the procedure thereunder.

32. (1) If during or within two months from the end of the year for which an assessment under Part IV has been made, the person assessed proves to the satisfaction of the Collector that his income during that year will be or has been less than the sum on which the assessment under that Part was made, the Collector may cause the assessment made for

the year to be amended as the case requires, and refund such sum, if any, as has been overpaid.

(2) If a company or person assessed under Part II or Part IV ceases to carry on the trade or business in respect whereof the assessment was made, or if any such person dies or becomes insolvent before the end of the year for which the assessment was made, or if any such company or person is, from any other specific cause, deprived of or loses the income on which the assessment was made, then the company or person or its or his representative in interest may apply to the Collector within three months after the end of the year, and the Collector, on proof to his satisfaction of any such cause as aforesaid, shall amend the assessment as the case may require, and refund such sum, if any, as has been overpaid.

Penalties.

[Act VIII, 1872, s. 38.]

Failure to make payments or deliver returns or statements. **33.** (1) If a person fails—

(a) to deduct and pay any tax as required by section 8, sub-section (1), or section 12, sub-section (1), or

(b) to deliver or cause to be delivered to the Collector in due time the return or statement mentioned in section 9 or section 10, or

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 11, such accounts as are referred to in the notice,

he shall, on conviction before a Magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) The Commissioner of the Division may remit wholly or in part any fine imposed under this section.

[Act VIII, 1872, s. 39.]

34. If a person makes a statement in a petition presented under section 24 which is false, and which he either knows or believes to be false or does not believe to be true, he shall be deemed to have intentionally given false evidence in a stage of a judicial proceeding.

[Act VIII, 1872, s. 40.]

35. No person shall be proceeded against for an offence under section 33 or section 34 except at the instance of the Collector.

[Act VIII, 1872, s. 41.]
XLV of 1860.

36. In sections 193 and 228 of the Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

Power to make Rules.

[Act VIII, 1872, s. 46.]

37. (1) The Governor General in Council may make rules consistent with this Act for the ascertainment of income liable to assessment and, generally, for carrying out the purposes of this Act, and may delegate to a Local Government the power to make such rules so far as regards the territories subject to that Government.

(2) Rules made under this section shall be published in the official Gazette.

Miscellaneous.

38. No suit shall lie in any Civil Court to set aside or modify any assessment made under this Act.

39. All or any of the powers and duties conferred and imposed by this Act on a Collector or on a Commissioner of Division may be exercised and performed by such other officer or person as the Local Government appoints in this behalf.

40. Every person shall be legally bound to furnish in the prescribed manner and at the prescribed time such information as any officer or person exercising all or any of the powers of a Collector under this Act may require from him for the purposes of this Act.

41. (1) A notice under this Act may be served on the person therein named either by post or by the delivery or tender to him of a copy of the notice.

(2) If a notice is served by post, it shall be deemed to have been served at the time when it would be delivered in the ordinary course of post, and in proving the service it shall be sufficient to prove that the notice was properly addressed and put into the post.

(3) If the notice is to be served otherwise than by post the service shall, whenever it may be practicable, be on the person named in the notice or, in the case of a firm or a Hindu undivided family, on some member thereof:

(4) But when the person or member cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving-officer shall fix the copy of the notice on the outer door of the house in which the person or firm therein named ordinarily dwells or carries on business.

42. (1) When a company or firm has several places of business in territories subject to different Local Governments, the Governor

General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be the principal place of business.

(2) When a company or firm has several places of business in the territories subject to a single Local Government, that Government may declare which of them shall, for the purposes of this Act, be deemed to be the principal place of business.

(3) When a person has several places of residence in territories subject to different Local Governments, the Governor General in Council may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(4) When a person has several places of residence in the territories subject to a single Local Government, that Government may declare which of those places shall, for the purposes of this Act, be deemed to be his residence.

(5) The powers given by this section may be delegated to and exercised by such officers as the Governor General in Council or the Local Government, as the case may be, appoints in this behalf.

[New]

43. Where a person is in respect of any period liable to the tax under this Act, he shall not in respect of that period be assessed to the pândhari tax levied in the Central Provinces under Act XIV of 1867, or to the capitation-tax, or the land rate in lieu thereof, levied in British Burma under the Burma Land and Revenue Act, 1876.

Saving in favour of payers of pândhari and capitation taxes.

II of 1876.

[Act VIII, 1872, ss. 8, 13 & 20.]

44. Every person deducting, retaining or paying any tax in pursuance of this Act in respect of income belonging to another person is hereby indemnified for the deduction, retention or payment thereof.

45. All powers conferred by or conferrable under this Act on the Governor General in Council or on a Local Government may be exercised from time to time as occasion requires.

[Act XIII, 1884, s. 173]

THE FIRST SCHEDULE.

ENACTMENTS REPEALED.

(See section 2.)

ACTS OF THE GOVERNOR GENERAL IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. II of 1878.	The Northern India License Act, 1878.	So much as has not been repealed.
Act No. VI of 1880.	The Indian License Acts Amendment Act, 1880.	The whole.

ACTS OF THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. III of 1878.	The Madras License Act, 1878.	So much as has not been repealed.
Act No. III of 1880.	An Act to amend Madras Act III of 1878 as amended by Act VI of 1880.	The whole.

ACT OF THE GOVERNOR OF BOMBAY IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. III of 1878.	The Bombay License Act, 1878.	So much as has not been repealed.

ACT OF THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

Number and year.	Short Title.	Extent of repeal.
Act No. II of 1880.	The Bengal License Act, 1880.	The whole.

THE SECOND SCHEDULE.
SOURCES OF INCOME AND RATES OF TAX.
(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
Source of Income.	Rate of Tax.

PART I.

SALARIES AND PENSIONS.

1. Any pay, annuity, pension or gratuity paid in British India by the Government, or by a company, or by a local authority, or by any other public body or association not being a company, to any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.

2. Any pay, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to a British subject within the dominions of a Prince or State in India in alliance with Her Majesty.)

(a) If the income amounts to Rs. 2,000 per annum, or Rs. 160-10-8 per mensem, or upwards—five pies in the rupee.

(b) If the income is less than Rs. 2,000 per annum, or Rs. 166-10-8 per mensem—four pies in the rupee.

PART II.

PROFITS OF COMPANIES.

1. Profits of a shipping company having ships engaged in trade between British India and any other country.

Five pies in the rupee on one moiety of the nett profits made by each of those ships during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

2. Profits of any other company.

Five pies in the rupee on the whole of the nett profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then during the year ending on the said thirty-first day of March.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1886, and payable in British India, on—

(a) promissory notes, debentures, stock or other securities of the Government of India, not being stock-notes, or

(b) bonds or debentures charged by the Imperial Parliament on the revenues of India, or

(c) stock or debentures of, or shares in, railway or other companies, the interest whereon has been guaranteed by the Secretary of State for India in Council, or

(d) debentures or other securities for money issued by or on behalf of a local authority.

Five pies in the rupee on such interest, unless the owner of the security produces a certificate signed by the Collector that his annual income from all sources is less than Rs. 500, in which case no deduction shall be made from the interest, or unless he produces a like certificate that his income from all sources is less than Rs. 2,000, in which case the rate shall be four pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

	(a) If the annual income is assessed at—		
Any source of	not less than Rs. 500 but at less than Rs. 750	the tax shall be Rs. 10	
income not in-	" " " 750 " " " 1,000	" " " 15	
cluded in Part I,	" " " 1,000 " " " 1,250	" " " 20	
Part II or Part	" " " 1,250 " " " 1,500	" " " 25	
III of this sched-	" " " 1,500 " " " 1,750	" " " 35	
ule.	" " " 1,750 " " " 2,000	" " " 42	
	(b) if the annual income is assessed at Rs. 2,000 or upwards,—five pias in the rupee on the income.		

THE THIRD SCHEDULE.

FORM OF PETITION.

(See section 24.)

To THE COLLECTOR OF

The day of 188 .

The petition of A. B. of

SHEWETH as follows—

1.—Under Act No. of 1886, your petitioner has been assessed in the sum of rupees for the year commencing the first day of April 188 .

2.—Your petitioner's income and profits accruing and arising from [here specify petitioner's trade or other source or sources of income or profits and the place or places at which such income or profits accrues or arise] for the year ending the day of last were rupees as will appear from the documents of which a list* is presented herewith.

3.—Such income and profits actually accrued and arose during a period of months and days [here state the exact number of months and days in which the income and profits accrued and arose].

4.—During the said year your petitioner had no other income or profits.

* This list, if the petitioner so wishes, may be presented in a sealed envelope.

Your petitioner therefore prays that he may be assessed accordingly [or that he may be declared not to be chargeable under the said Act].

(Signed) A. B.

Form of Verification.

I, A. B., the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed) A. B.

STATEMENT OF OBJECTS AND REASONS.

It having been found necessary to have recourse to legislation for the purpose of increasing the public revenues, it has been decided to extend the existing License Tax to offices, employments and professions, and, generally, to make liable to assessment all incomes derived from sources other than agriculture.

The existing License Tax Acts are repealed and a single Act for all India is substituted.

The rate of the tax has been slightly raised, and the area of its incidence has been, as above stated, extended; but the principles of the License Tax are closely followed in the case of annual incomes below Rs. 2,000, and the procedure and machinery for assessment and collection are maintained in the case of all incomes so far as is consistent with the altered conditions of the tax.

(Signed) A. COLVIN.

The 4th January 1886.

S. HARVEY JAMES,

Offg. Secretary to the Government of India.