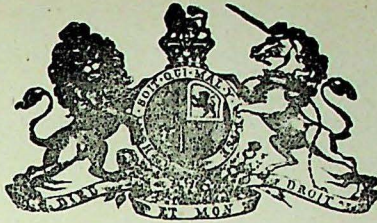


THE



# Bombay Government Gazette.

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THURSDAY, 28<sup>TH</sup> JANUARY 1886.

*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 Report of the Select Committee on the Bill for imposing a tax on income derived from sources other than agriculture was presented to the Council of the Governor General of India for the purpose of making Laws and Regulations on the 22nd January 1886:—

We, the undersigned, Members of the Select Committee to which the Bill for imposing a tax on income derived from sources other than agriculture was referred, have considered the Bill and the papers noted on the margin, and have now the honour to submit this our Report.

From the Officiating Secretary to the Government of Bengal, No. 31, dated the 7th January 1886.

Telegram from the Financial Secretary to the Government of Bombay, dated the 11th January 1886.

Telegram from the Chief Commissioner of Assam, dated the 11th January 1886.

Telegram from the Resident, Hyderabad, dated 9th January 1886.

Telegram from the Secretary to the Government of the Punjab, dated the 9th January 1886.

Telegram from the Chief Secretary to the Government of Madras, dated the 11th January 1886.

Note by A. Smith, Esq., Commissioner, Presidency Division, Bengal.

From the Secretary to the Government of the North-Western Provinces and Oudh, No. 5—XIII-101-2, dated the 9th January 1886.

Telegram from the Secretary to the Chief Commissioner, Central Provinces, dated the 11th January 1886.

Letter from James L. Mackay, Esq., to the Hon'ble R. Steel, No. 17, dated the 13th January 1886.

Letter from H. B. H. Turner, Esq., to the Hon'ble R. Steel, dated the 13th January 1886.

Memorandum by Dosabhai Framji, Esq., C.S.I., Presidency Magistrate, Bombay.

Letter from the Secretary, Indian Jute Manufacturers' Association, dated the 13th January 1886.

Telegram from the Chief Commissioner, Ajmer-Merwár, dated the 15th January 1886.

From the Officiating Secretary, Board of Revenue, Lower Provinces, No. 34 B., dated the 16th January 1886.

Letter from the Secretary to the Bengal Chamber of Commerce, dated the 16th January 1886.

Memorial from the Managers, Agents and Secretaries of the leading Life Assurance Companies carrying on business in India, dated the 16th January 1886.

Telegram from the Bombay Chamber of Commerce, dated 19th January 1886.

2. We have provided in section 1 that the Act shall come into force on the first day of April next. During the time which elapses between the passing of the Bill and that date, the Government will be able to prepare and issue its rules, and Collectors to make such arrangements for the assessment of the tax as they can make without calling in aid the provisions of the Act.

It is important that Collectors should know as soon as possible what incomes will be assessable, and that the Government should at once be in a position to frame the necessary rules for assessment.

3. In section 5 we have, with advertence to section 24 (section 23 of the Bill as introduced), inserted a clause (clause (c)) excepting from liability to the tax the whole of the annual value of buildings which landholders and agriculturists own and occupy on, or in the immediate neighbourhood of, the land they hold and cultivate, and which are necessary to them in the exercise of their vocation as landholders and agriculturists. Thus, while a landholder will be exempt from the tax in respect of the annual value of the homestead (if any) appurtenant to his land, he will be assessable in respect of any other house he may own and occupy.

4. We have inserted in the same section a further clause (clause (f)), based on the English law, excepting from liability to the tax any portion, not exceeding one-sixth, of his income which a person pays either to the Government or to a company in respect of life-insurance or deferred annuity.

5. Clause (d) of section 5 (clause (c) of that section in the Bill as introduced) is based on a similar clause in Act VIII of 1872. The exemption appears to us to be sufficient to cover educational endowments, and does not, as has been suggested, open a door to the evasion of the Act by colourable gifts to idols or any like device.

6. We have omitted sub-section (2) of the same section in the Bill as introduced. There appears to us not to be sufficient ground for making, between official salaries and other incomes, the distinction which was proposed in that sub-section.

7. By the new sub-section (2) appended to section 5, we have made it clear that a salaried manager of land is not exempt from the tax by reason only of the income of his employer being exempt therefrom.

8. We have ascertained that companies and some other private employers are much opposed to that provision of the Bill as introduced which imposed on them the duty of deducting the tax from the salaries of their employes. To the argument that there was such a provision in force in the years 1869-72, they reply that the provision was then a fruitful cause of misunderstanding and disagreement between them and their subordinates. Under these circumstances it appears to us that companies ought not to be compelled to collect the tax. We have therefore modified section 8 of the Bill, and empowered the Collector, by a new section (section 9), to enter into an arrangement with any private employer, on terms to be mutually agreed on, for the collection by the employer of the tax payable by his employes.

9. Section 10 of the Bill as introduced followed the Acts of 1869 and 1872 in making special provision for the taxation of shipping companies. It has been stated, and we have satisfied ourselves, that the provision was unworkable and, in practice, inoperative. It has therefore been omitted from section 11, and the second schedule, of the Bill as amended by us: and we have added to section 5 a special exemption (clause (d)), in favour of shipping companies incorporated or registered out of British India and having their principal places of business out of India and their ships ordinarily engaged in sea-going traffic out of Indian waters.

10. To section 18 (section 17 of the Bill as introduced) we have added clauses empowering the Local Government to authorise the Collector in any specified town or place to publish general notices inviting tax-payers to make return of their income, and in any presidency-town to serve special notices on individual tax-payers inviting them to make such returns.

11. In section 24 (section 23 of the Bill as introduced) we have provided for houses occupied by their owners being assessed at five-sixths, instead of nine-tenths, of their annual value. We have thus reverted to the principle of section 132 of Act XXXII of 1860.

12. We have so modified section 27 (section 26 of the Bill as introduced) as to require the Commissioner to call for the record in the case of a petition for the revision of any assessment of two hundred and fifty rupees or upwards.

13. In section 30 (section 29 of the Bill as introduced) we have provided for the continuance of the summary process of recovery described in section 24 of the Bengal License Act, 1880.

14. In sub-section (5) of the same section we have provided that no proceedings for the recovery of any sum payable under the Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable. The section as amended by us is more restrictive on the revenue-authorities than the corresponding section of the Bengal License Act, 1880, and less so than the corresponding section of the Northern India License Act, 1878.

15. In section 31 provision has been made, as in Act XXXII of 1860, for composition of the tax.

16. Seeing that provision is made in Chapter IV for revision of assessment, we think that section 32, sub-section (1), of the Bill as introduced should be omitted, and that section 31 of that Bill may also be omitted, as being likely, by suggesting the disturbance of settled assessments, to create irritation with which the additional revenue raised under the section would be incommensurate.

17. In section 38 of the Bill as amended by us (section 37 of the Bill as introduced) we have provided for rules being made for securing secrecy in regard to information furnished in documents relating to incomes of assesses.

18. We have deemed it desirable to specify more particularly than in section 40 of the Bill as introduced the information which may be required by a Collector for the purposes of the Act. We have, therefore, for that section substituted sections 41 to 45 of the Bill as amended.

19. We have modified section 46 (section 41 of the Bill as introduced) by providing that the delivery of a letter duly posted shall only be presumed, and we have required the letter to be registered.

20. From the first column of Part III of the second schedule to the Bill as introduced we have omitted the clause relating to stock of, or shares in, guaranteed railway companies. The clause is unnecessary, as all railway companies will be assessed on their nett earnings. We have, however, provided in new clause (c) of Part III for the recovery, in the manner prescribed in section 13, of the interest on debentures issued by companies.

21. The publication ordered by the Council has been made as follows :—

	<i>In English.</i>			
	<i>Gazette.</i>			<i>Date.</i>
<i>Gazette of India</i>	...	...	...	5th, 9th and 16th January, 1886.
<i>Fort St. George Gazette</i>	...	...	...	20th January 1886.
<i>Bombay Government Gazette</i>	...	...	...	14th January 1886.
<i>Calcutta Gazette...</i>	...	...	...	13th and 20th January, 1886.
<i>North-Western Provinces and Oudh Government Gazette</i>	...	...	...	16th January 1886.
<i>Central Provinces Gazette</i>	...	...	...	16th January 1886.

22. We do not think that the measure has been so altered as to require re-publication, and we recommend that it be passed as now amended.

A. COLVIN.  
C. P. ILBERT.  
T. C. HOPE.  
V. N. MANDLIK.\*  
PEARI MOHAN MUKERJI. †  
J. W. QUINTON.  
ROBERT STEEL.  
W. W. HUNTER.

*The 22nd January 1886.*

\* I differ from the majority on sections 1, 5, clause (d), and section 24. I think the Bill should terminate in one or two years; I think clause (d), section 5, should be modified or left out, and section 24 should be made applicable only to houses in principal towns and cities.

V. N. MANDLIK.

† I sign this Report with reservation of opinion on the following provisions, namely, (1) "and in each subsequent year" in section 4; (2) clause (j) of section 5; and (3) section 24.

PEARI MOHAN MUKERJI.

## No. II.

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

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No. II.

*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 on the first day of April, 1886.

(3) Any power conferred by this Act to make rules or to issue orders may be exercised at any time after the passing of this Act; but a rule or order so made or issued shall not take effect until the Act comes into force.

2. On and from the day on which this Act comes into force the enactments specified in the first schedule to this Act shall be 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) "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:

(2) "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:

(3) "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.

(4) "salary" 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; but subject to any rules which may be prescribed in this behalf, it does not include travelling, tentage, horse or sumptuary allowance, or any other allowance granted to meet specific expenditure:

(5) "income" means income and profits accruing and arising or received 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 salary, 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:

(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 local authority or a company or any other public body or association not being a local authority or company, means—

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

(b) any person connected with the authority, company, 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: and

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

CHAPTER II.

LIABILITY TO TAX.

4. Subject to the exceptions mentioned in the next following section, 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.

[Trades and Professions Tax Bill, 1879, s. 12.]

[Act VIII, 1872, s. 2.]

[Act VIII, 1872, s. 2.]

[Act VIII, 1872, s. 2.]

[Act VIII, 1872, s. 2.]

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

[New.]

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

[New.]

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

Exceptions.

5. (1) Nothing in section 4 shall render 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 received by him, when he does not keep a shop or stall for the sale of such produce; or

[New.]

(c) any building owned and occupied by the receiver of the rent or revenue of any such land as is referred to in clause (a), or by the cultivator, or the receiver of rent-in-kind, of any land with respect to which or the produce whereof, any operation mentioned in clause (b) is carried on:

Provided that the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue, or the cultivator or the receiver of the rent-in-kind, by reason of his connection with the land, requires as a dwelling-house, or as a store-house, factory or other out-building; or

(d) any profits of a shipping company incorporated or registered out of British India and having its principal place of business out of India and its ships ordinarily engaged in sea-going traffic out of Indian waters; or

[Act VIII, 1872, s. 3.]

(e) any income derived from property solely employed for religious or public charitable purposes; or

[Act VIII, 1872, s. 3.]

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

[Act XXXII, 1860, ss. 134-136.]

(g) subject to any conditions and restrictions which may be prescribed in this behalf, such portion, not exceeding one-sixth, of the income in respect whereof a person would, but for this exception, be chargeable under this Act, as is deducted from the salary of the person under the authority or with the permission of the Government for the purpose of securing a deferred annuity to him or a provision to his wife or children after his death or is paid by the person to an insurance company in respect of an insurance or deferred annuity on his own life or on the life of his wife; or

[New.]

(h) any interest on stock-notes; or

[Act VIII, 1872, s. 3.]

(i) the salary 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 salary does not exceed five hundred rupees per mensem; or

(j) any person whose income from all sources is less than five hundred rupees per annum. [License Tax Acts as amended in 1880.]

(2) An officer or servant is not exempt from taxation under this Act by reason only of the income of his employer being exempt therefrom under this section.

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. [Act VIII, 1872, s. 4.]

Power to make exemptions.

### CHAPTER III.

#### ASSESSMENT AND COLLECTION

##### A.—Salaries and Pensions.

7. In the case of a person receiving any salary, annuity, pension or gratuity from the Government, any sum payable to him by the Government in respect of the salary, annuity, pension or gratuity shall be reduced by the amount of the tax to which he is liable under Part I in respect thereof. [Act VIII, 1872, s. 7.]

Mode of payment in case of Government officials and pensioners.

8. (1) In the case of a person receiving any salary, annuity, pension or gratuity from a local authority, the tax to which he is liable under Part I shall, at the time of the payment to him of any of the salary, 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. [Act VIII, 1872, s. 8.]

Mode of payment in case of servants and pensioners of local authorities.

(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. [New.]

(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 salary, annuity, pension or gratuity is subsequently paid to the person liable to the tax. [Act VIII, 1872, s. 9.]

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

9. (1) The tax to which a person receiving any salary, annuity, pension or gratuity from a company, or from any other public body or association not being a

Mode of payment in case of servants and pensioners of companies and private employers.

[New.]

local authority or company, or from a private employer, is liable under Part I shall be payable by him at the time when any portion of the salary, annuity, pension or gratuity is paid to him.

(2) The Collector may, subject to such conditions as may be prescribed, enter into an arrangement with any company, or any such body or association as aforesaid, or any private employer, with respect to the recovery on behalf of the Government by the company, body, association or employer of the tax to which any person receiving any salary, annuity, pension or gratuity from the company, body, association or employer is liable under Part I.

[Act VIII, 1872, s. 8.] 10. The principal officer of every local authority, and of every company, and of every other public body or association not being a local authority or 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 who is receiving at the date of the return any salary, annuity or pension, or has received during the year ending on that date any gratuity from the authority, company, body or association, as the case may be, and the address of every such person so far as it is known; and

(b) the amount of the salary, annuity, pension, or gratuity so received by each such person, and the time at which the same becomes payable or, in the case of a gratuity, was paid.

#### B.—Profits of Companies.

[Act VIII, 1872, ss. 10 and 11.] 11. 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 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 of the nett profits so made during the year ending on the said thirty-first day of March.

[Act VIII, 1872, s. 12.] 12. (1) If the Collector has reason to believe that a statement delivered under section 11 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 of this Act, that amount shall be payable accordingly.

#### C.—Interest on Securities.

13. (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.

14. 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.

15. (1) The assessment shall be made upon the income accruing to the person during the year ending on the day on which his accounts have been last made up, or, if his 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 upon the income accruing to him during the year ending on the said thirty-first day of March.

(2) In the case of a person for the first time becoming chargeable under Part IV within the year for which the assessment is to be made 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, having regard to the circumstances, directs.

16. (1) The Collector shall 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, with a notification prefixed thereto re-

[Act VIII, 1872, s. 15.]

[Act VIII, 1872, s. 25.]

[Act VIII, 1872, s. 26.]

[License Tax Acts. See Bom. Act III, 1878, ss. 9, and 10. See also Act VIII, 1872, s. 27.]

quiring 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 in each year may be the list of the previous year with such amendments as the Collector finds to be necessary.

[Act VIII,  
1872, s. 27.]

17. 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 16, sub-section (2), 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.

18. (1) Notwithstanding anything contained in section 16 or section 17, the Local Government may make rules—

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

(a) authorising or directing a Collector in specified cases, or classes of cases, to include in a list under section 16 any person who is liable to be served with a notice under section 17 instead of or in addition to serving him with such a notice, and to serve a notice under section 17 on any person liable to be included in a list under section 16 instead of or in addition to including him in such a list.

(b) authorising the Collector in any specified town or place to cause a general notice to be published, inviting every person chargeable under Part IV to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form published with the notice, of his income during the year ending on the day on which his accounts have been last made up, or, if his 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 of his income during the year ending on the said thirty-first day of March;

(c) authorising the Collector in any presidency-town to cause a special notice to be served on any person chargeable under Part IV, inviting him to deliver or cause to be delivered to the Collector, within a time specified in the notice, a return, in a prescribed form accompanying the notice,

of his income computed in the manner described in clause (b) of this sub-section.

(2) A return delivered under rules made under clause (b) or clause (c) of sub-section (1) must state the period during which the income has actually accrued; and there must be added at the foot thereof a declaration that the income shown in the return is truly estimated on all the sources therein mentioned, that it has actually accrued within the period therein stated, and that the person making the return has no other source of income.

(3) When a Collector authorized in that behalf by rules made under clause (b) or clause (c) of sub-section (1) has caused a notice to be published or served under those rules, he shall not include any person to whom the notice applies in any list made under section 16 or serve a notice on him under section 17 until the time specified in the notice served under those rules has expired.

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

19. Every amount specified as payable in a list or notice prepared or served under section 16 or section 17

[Act VIII,  
1872, s. 28.]

shall be paid within the time, at the place, and to the person, mentioned in the list or notice.

#### Trustees, Agents, Managers and Incapacitated Persons.

20. A person being the trustee, guardian, curator or committee of any infant, married woman sub-

[Act VIII,  
1872, s. 17.]

ject 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.

21. Any person not resident in British India, whether a subject of Her Majesty or not, being

[Act VIII,  
1872, s. 17.]

charged in names of their agents, 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.

22. Receivers or managers appointed by any Court in India, the Courts of Wards, the Administrators General 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.

[Act VIII,  
1872, s. 19.]

23. When a trustee, guardian, curator, committee or agent is, assessed under Part IV, or when a receiver or manager appointed as

[Act VIII,  
1872, s. 20.]

Power to retain duties charged on trustees, &c.,

[Act VIII,  
1872, s. 20.]

mittee or agent is, assessed under Part IV, or when a receiver or manager appointed as



aforsaid, a Court of Wards, Administrator General or an 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.

[New. of Act VIII, 1872, s. 21.]

24. (1) Where a building is occupied by its owner, it shall be deemed a source of income within the meaning of this Act, and, if liable to be assessed under this Act, shall be assessed at five-sixths of the gross annual rent at which it may reasonably be expected to let, and, in the case of a dwelling-house, may be expected to let unfurnished.

(2) "Owner," as used in this section with reference to a building, means the person who would be entitled to receive the rent of the building if the building were let to a tenant.

#### CHAPTER IV.

##### REVISION OF ASSESSMENT.

[Act VIII, 1872, s. 30.]

25. (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 16, or in the notice served under section 17, 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 complaints.

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

26. 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.]

27. Subject to the control of the Local Government, the Commissioner of the Division, on the petition of any person deeming himself aggrieved by an order under section 12, sub-section (2), or section 26, shall if the amount of the assessment to which the petition relates is two hundred and fifty rupees or

upwards, and may in his discretion if the amount of the assessment is less than two hundred and fifty rupees, call for the record of the case, and pass such order thereon as he thinks fit.

28. The Collector or Commissioner may, for the purpose of enabling him to determine how the petitioner or the company which he represents should be assessed, summon and enforce the attendance of witnesses and compel them to give evidence, and compel the production of documents, by the same means, and as far as possible, in the same manner, as is provided in the case of a Civil Court by the Code of Civil Procedure:

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.

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

30. (1) In any case of default under this Act the Collector, in his discretion, may recover a sum not exceeding double the amount of the tax either as if it were an arrear of land-revenue or by any process enforceable for the recovery of an arrear of any municipal tax or local rate imposed under any enactment for the time being in force in any part of the territories administered by the Local Government to which he is subordinate, or may 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 25, 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) The Local Government may direct by what authority any powers or duties incident under any such enactment as aforesaid to the enforcement of any process for the recovery of a municipal tax or local rate shall be exercised or performed when that process is employed under sub-section (1) for the recovery of the tax chargeable under this Act.

(3) An order passed by the Collector 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, namely—

- (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.

[Bom. Act III, 1873, s. 20.]

(4) The Local Government may direct, with respect to any specified area, that the tax chargeable under this Act shall be recovered therein with, and as an addition to, any municipal tax or local rate by the same person and in the same manner as the municipal tax or local rate is recovered.

[Act II, 1878, s. 19.]

(5) No proceedings for the recovery of any sum payable under this Act shall be commenced after the expiration of three months from the last day of the year in respect of which the sum is payable.

## CHAPTER VI.

### SUPPLEMENTAL PROVISIONS.

#### *Composition.*

[Act XXXII, 1860, ss. 67-70.]

31. (1) If a company or person desires to compound for the tax assessable under Part II or Part IV, as the case may be, the Collector may, subject to such rules as may be prescribed in this behalf, agree with the company or person for a composition for the tax on such terms and for such period as he thinks fit.

(2) The agreement shall provide for the payment, in each year of the period comprised in the agreement, of the amount of the composition; and that amount shall be recoverable in the same manner and by the same means as any other assessment made under Part II or Part IV, as the case may be.

#### *Receipts.*

[Act VIII, 1872, ss. 28 and 29.]

32. When any money is paid under this Act to the Collector or is returned 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.

#### *Amendment of Assessment.*

33. 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

[Act VIII, 1872, s. 37.]

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 during or 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.

34. (1) If a person [Act VIII, 1872, s. 33.] fails—

(a) to deduct and pay any tax as required by section 8, sub-section (1), or section 13, 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 10 or section 11, or

(c) to produce, or cause to be produced, on or before the date mentioned in a notice under section 12, 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.

35. If a person makes a statement in a declaration mentioned in section 18, sub-section (2), 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 committed the offence described in section 177 of the Indian Penal Code.

36. A person shall not be proceeded against for an offence under section 34 or section 35, except at the instance of the Collector.

37. Any proceeding under section 12 or Chapter IV of this Act shall be deemed to be a "judicial proceeding" within the meaning of sections 193 and 228 of the Indian Penal Code.

#### *Power to make Rules.*

38. (1) The Governor General in Council may make rules consistent with this Act for ascertaining and determining income liable to assessment for preventing the disclosure of particulars contained in documents delivered or produced with respect to assessments under Part IV, 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.

Power to make rules.

[Act VIII, 1872, s. 40.]  
 [Act VIII, 1872, s. 41.]  
 [Act VIII, 1872, s. 46, and Act XXXII, 1860, ss. 33 and 212.]  
 XLV of 1860.

(2) In making a rule for preventing the disclosure of any particulars referred to in sub-section (1), the Governor General in Council may direct that a public servant committing a breach of the rule shall be deemed to have committed an offence under section 166 of the Indian Penal Code:

(3) But a person committing any such offence shall not be liable to be prosecuted therefor without the previous sanction of the Local Government.

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

*Miscellaneous.*

XLV of 1860.

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

Bar of suits in Civil Court.

[Act VIII, 1872, s. 42.]

**40.** 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.

Exercise of powers of Collector and Commissioner.

[Act VIII, 1872, s. 43.]

**41.** An officer or person exercising all or any of the powers of a Collector under this Act may, by notice, require any person to furnish a list, in the prescribed form, containing, to the best of his belief,—

Obligation to furnish information respecting lodgers and employes.

[Act VIII, 1872, s. 24.]

[Act VIII, 1872, ss. 24 and 39.]

(a) the name of every inmate or lodger resident in any house used by him as a dwelling-house or let by him in lodgings;

(b) the name of every other person receiving salary or emoluments amounting to forty-one rupees ten annas and eight pies per mensem, or five hundred rupees per annum, or upwards, employed in his service, whether resident in any such house as aforesaid or not; and

(c) the place of residence of such of those persons as are not resident in any such house, and of any inmate or lodger in any such house who has a place of residence elsewhere at which he is liable under this Act to be assessed, and who desires to be assessed at that place.

**42.** An officer or person exercising all or any of the powers aforesaid may, by notice, require any person whom he has reason to believe to be a trustee, guardian, curator, committee or agent to deliver or caused to be delivered a statement of the names of the persons for or of whom he is trustee, guardian, curator, committee or agent.

Trustees and agents to furnish information as to beneficiaries and principals.

[Act VIII, 1872, s. 18.]

**43.** An officer or person exercising all or any of the said powers may, by notice, require a trustee, guardian, curator, committee or agent, or a receiver or manager appointed by any Court in India, or a Court of Wards, Administrator General or Official Trustee, to furnish such returns of income liable to assessment under Part IV as may be prescribed.

Trustees, &c., to furnish information as to income.

[Act VIII, 1872, s. 18.]

**44.** An officer or person exercising all or any of the said powers may, at the instance of any person respecting whose assessment or the amount thereof any doubt exists, require any person to furnish such information as he deems to be necessary for the purpose of ascertaining facts relevant to the assessment or its amount.

Obligation to furnish other information.

[Bengal Act II, 1880, s. 3. cf. s. 28 of this Bill.]

**45.** A person required to furnish any information under section 41, section 42, section 43, or section 44 shall be legally bound to furnish the same in such manner and within such time as may be specified in the requisition for the information.

Sections 176 and 177 of Penal Code to apply to requisitions for information.

[Act VIII, 1872, ss. 38 & 39.]

**46.** (1) A notice under this Act may be served on the person therein named either by a prepaid letter addressed to the person and registered under Part III of the Indian Post Office Act, 1866, or by the delivery or tender to him of a copy of the notice.

Service of notices.

[Act VIII, 1872, ss. 44, 38 & 39]

(2) If a notice is served by registered letter, it shall be presumed to have been served at the time when the letter would be delivered in the ordinary course of post, and proof that the letter was properly addressed and put into the post shall be sufficient to raise the presumption that the notice was duly served at that time.

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

(4) But when the person, member or manager 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, firm or family therein named ordinarily resides or carries on business.

**47.** (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.

Power to declare principal place of business or residence.

[Act VIII, 1872, s. 45.]

(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) 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.]

48. 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

Saving in favour of payers of pândhari and capitation taxes.

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.

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

49. Every person deducting, retaining or paying any tax in pursuance of this Act or of any arrangement under section 9, sub-section (2), in respect of income belonging to another person, is hereby indemnified for the deduction, retention or payment thereof.

Indemnity.

[Act XIII, 1884, s. 173.]

50. All powers conferred by or conferrable under this Act may be exercised from time to time as occasion requires.

Powers exercisable from time to time.

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 salary, annuity, pension or gratuity paid in British India to or on behalf of 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 salary, 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 or on behalf of 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 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 on the whole of the nett profits so made 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, (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or

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

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

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.

