

PUNJAB
INCOME TAX REPORT,
1888 -1889.

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REPORT

ON THE

INCOME TAX ADMINISTRATION

FOR THE YEAR

1888-89.

Published by Authority.

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No. 1877.

FROM

H. C. FANSHAWE, ESQUIRE,

Junior Secretary to Government,

Punjab and its Dependencies,

TO

D. C. JOHNSTONE, ESQUIRE,

Junior Secretary to the Financial Commissioner,

Punjab.

Dated 24th September 1889.

Financial.

SIR,

I AM directed to acknowledge the receipt of your letter No. 608 of 26th ultimo, submitting the Annual Report on the Administration of the Income Tax in the Punjab during the year 1888-89, and in reply to convey the following observations of the Lieutenant-Governor.

2. The Report was received in this office on 4th September, and was therefore practically forwarded up to date. The Financial Commissioner has submitted a careful analysis of the administration of the tax in each district based, it is understood, upon the special reports submitted by Mr. E. W. Parker. This analysis and the general summary show a decided improvement in the assessment of the tax in many respects, and Sir James Lyall has but few remarks to offer on the subject upon the present occasion.

3. Special pains have been taken in the Financial Commissioner's office to reconcile the departmental returns of collection of the tax with the amounts shown by the Accountant-General. The result of the comparison, however, is not altogether satisfactory according to the latest accounts before Government, owing perhaps to adjustments made in the Accountant-General's books at the close of the year. This point, however, will be dealt with separately. According to the figures furnished by the Financial Commissioner the collections made during 1888-89 were Rs. 10,41,950, and as the charges amounted to Rs. 17,602, the net amount realized was Rs. 10,24,348. This shows a satisfactory increase of Rs. 65,000 round, due no doubt to more careful assessment and to continued prosperity in the Province. The amount of refunds, which are excluded from the above figures, was Rs. 17,639 as against Rs. 13,969 in the previous year, and the balance outstanding at the end of the year was Rs. 6,000 round, of which the greater part is said to have been collected before 1st June. The principal increase has occurred under Part IV of Schedule II of the Act, and is distributed over twenty districts, the largest enhancements being in Karnál, Hissar, Rohtak, Simla and Amritsar. In four districts, including Delhi, the demand under Part IV has remained practically stationary, and in three, *viz.*, Lahore, Shahpur and Ráwalpindi, there has been a falling off.

4. The Lieutenant-Governor is disposed to agree with the conclusion formed by Mr. Parker and the Financial Commissioner that there is a tendency to let off rich assesses too easily, and to spread the net too wide in including

assesseees with smaller incomes, and it is desirable that the attention of Collectors and Commissioners of Divisions should be specially directed to this point. It is satisfactory to observe that the percentage of the original demand remitted has risen but very slightly in spite of the considerable enhancement of the tax, and that the remissions ordered by Commissioners were considerably less than in the previous year; and it is clear from the Report that in most districts a comparatively fair standard of taxation has now been attained. In some districts, however, the state of things as judged by this test is far from being satisfactory as yet; and His Honor thinks that in these cases the Commissioners concerned should be requested to discuss the whole question very fully with the Deputy Commissioners in question before the assessment lists of next year are published. It is also satisfactory to note that penalties are now inflicted with more judgment, and that the Income Tax Note Books are properly maintained. The Lieutenant-Governor agrees with the Financial Commissioner that the period of four days allowed in the Jhang District for payment of sums overdue is too short, and that a period of a week should usually be granted.

5. With reference to the detailed reports of districts, His Honor would invite the Financial Commissioner's attention to the following observations. The assessment of the districts of Karnál, Jhang, Muzaffargarh, and perhaps Ferozepore, appears to be high, and special caution should be enjoined upon the Deputy Commissioners of these districts in framing their future assessments. On the other hand, the assessment of the Jullundur, Ráwalpindi and Pesháwar Districts is almost certainly still too low in view of their wealth and natural advantages. Among the less favoured districts of the Province the tax seems to be assessed with great leniency in Gurgaon, Kohát, Dera Ismail Khan and Dera Gházi Khan, and perhaps in Gurdáspur, Shahpur and Lahore. It is desirable at least that the Commissioners of the Divisions should explain why the assessment in Gurgaon is so much lower than in Rohtak or Karnál, and why the assessments in Dera Ismail Khan and Dera Gházi Khan should fall considerably below that of Muzaffargarh. In this connection I am to add that it appears to the Lieutenant-Governor that sufficient attention is not paid by officers to the remarks recorded in Annual Reports and Reviews by the Financial Commissioner and the Local Government, and I am to request that the Commissioners of Divisions will see that this is not allowed to occur in future. It is incumbent upon District Officers in submitting Annual Reports on any subject to notice and explain from their point of view the remarks which may have been recorded upon their administration of the Department in question, and Sir James Lyall will look to the Commissioners of Divisions to see that this is done. The Financial Commissioner has already been requested to consider in cases in which the administration of the Income Tax is still unsatisfactory whether the Deputy Commissioner of the district should not be required to take a share in the work of assessment of the higher classes of assesseees at least, and to hear a larger number of the appeals against assessment; and the Lieutenant-Governor will be glad to receive Mr. Elsmie's recommendations on these points by an early date, so that any orders which it may be desired to issue may be in the hands of Deputy Commissioners from the commencement of the ensuing cold weather. His Honor also thinks that in all cases where the assessment is considered low the Collector should explain what measures have been taken to raise it by the issue of supplementary assessment lists. The Financial Commissioner has suggested that the deputation of a special officer to the Jullundur District in connection with the assessment of the Income Tax may be found desirable, and it would seem that a similar arrangement may be needed in the case of Pesháwar and Ráwalpindi.

6. The statement of rulings during the year under the Income Tax Act will doubtless prove useful to Deputy Commissioners, to whom separate copies should be supplied. It should be noted perhaps that the Government of India has not accepted the grounds of the ruling in the case of the Thanesar Pandits, but has allowed their exemption from the tax on political grounds. Till further orders the exemption should be maintained.

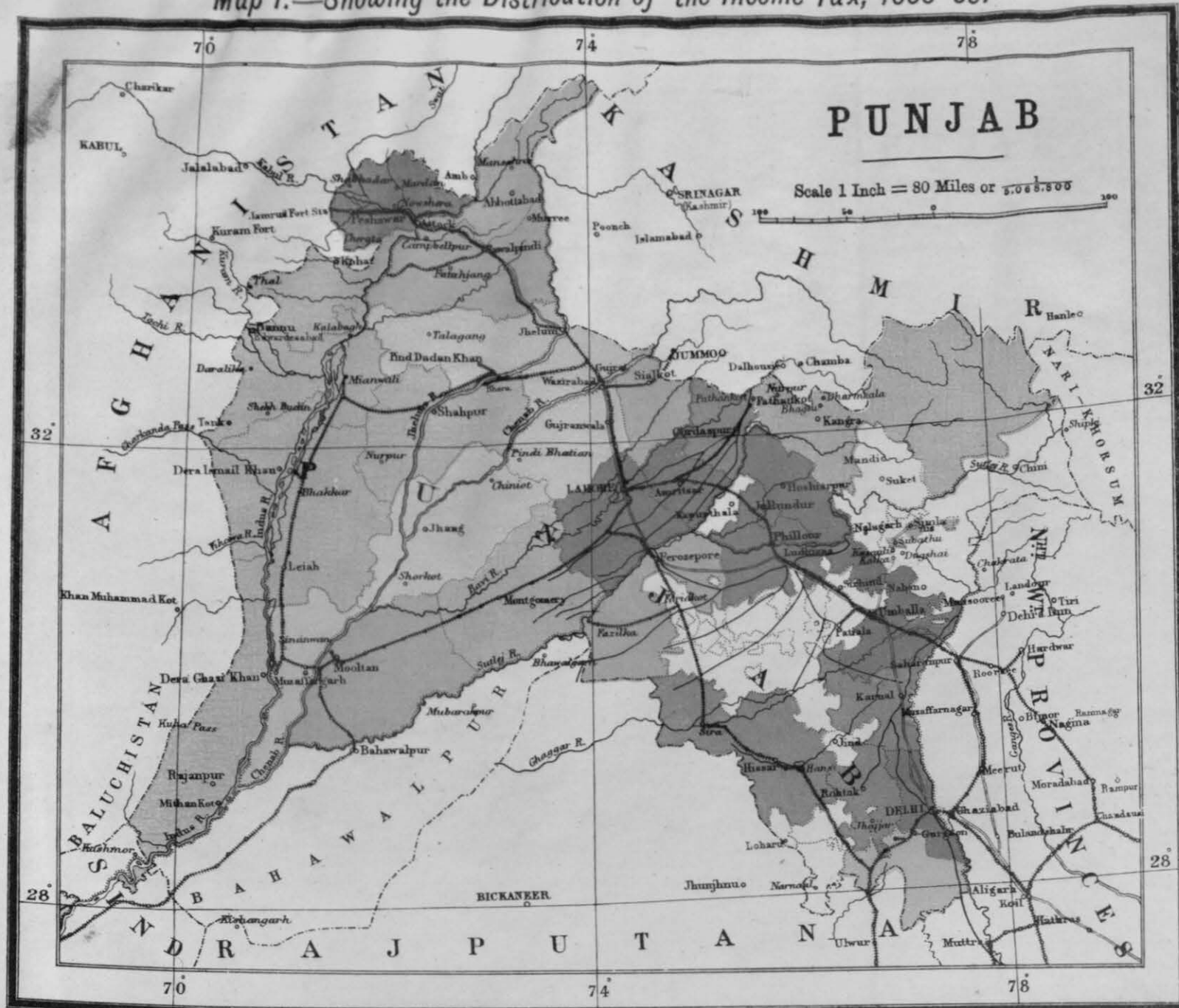
7. Mr. Parker's work in connection with the Income Tax of the Province has been already acknowledged by the Punjab Government, and the Lieutenant-Governor notices with satisfaction that the Financial Commissioner is able to speak favourably of the work and reports of a number of Deputy Commissioners in this regard. The acknowledgments of Sir James Lyall are due to Mr. Elsmie for the careful manner in which he has controlled the working of the tax during the last two years; and His Honor does not doubt that the short-comings still apparent in some cases will presently disappear.

I have, &c.,

H. C. FANSHAWE,

Junior Secretary to Government, Punjab.

Map 1.—Showing the Distribution of the Income Tax, 1888-89.

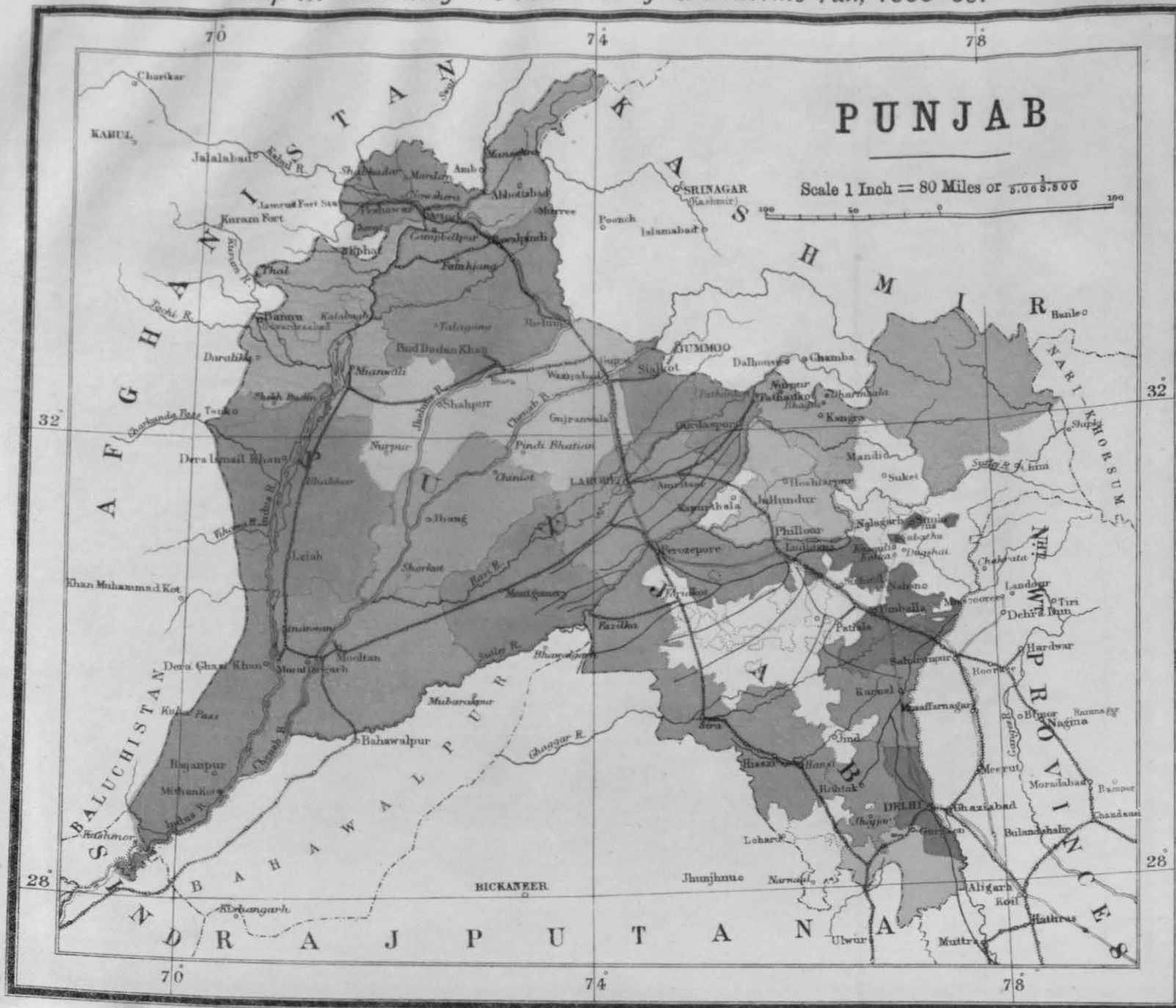


Districts in which the Revenue is—

- (a) Less than Rs. 15,000.....
- (b) Between Rs. 15,000 & Rs. 20,000.....
- (c) „ „ Rs. 20,000 & Rs. 25,000.....
- (d) „ „ Rs. 25,000 & Rs. 30,000.....
- (e) „ „ Rs. 30,000 & Rs. 40,000.....
- (f) Above Rs. 40,000.....



Map II.—Showing the Incidence of the Income Tax, 1888-89.

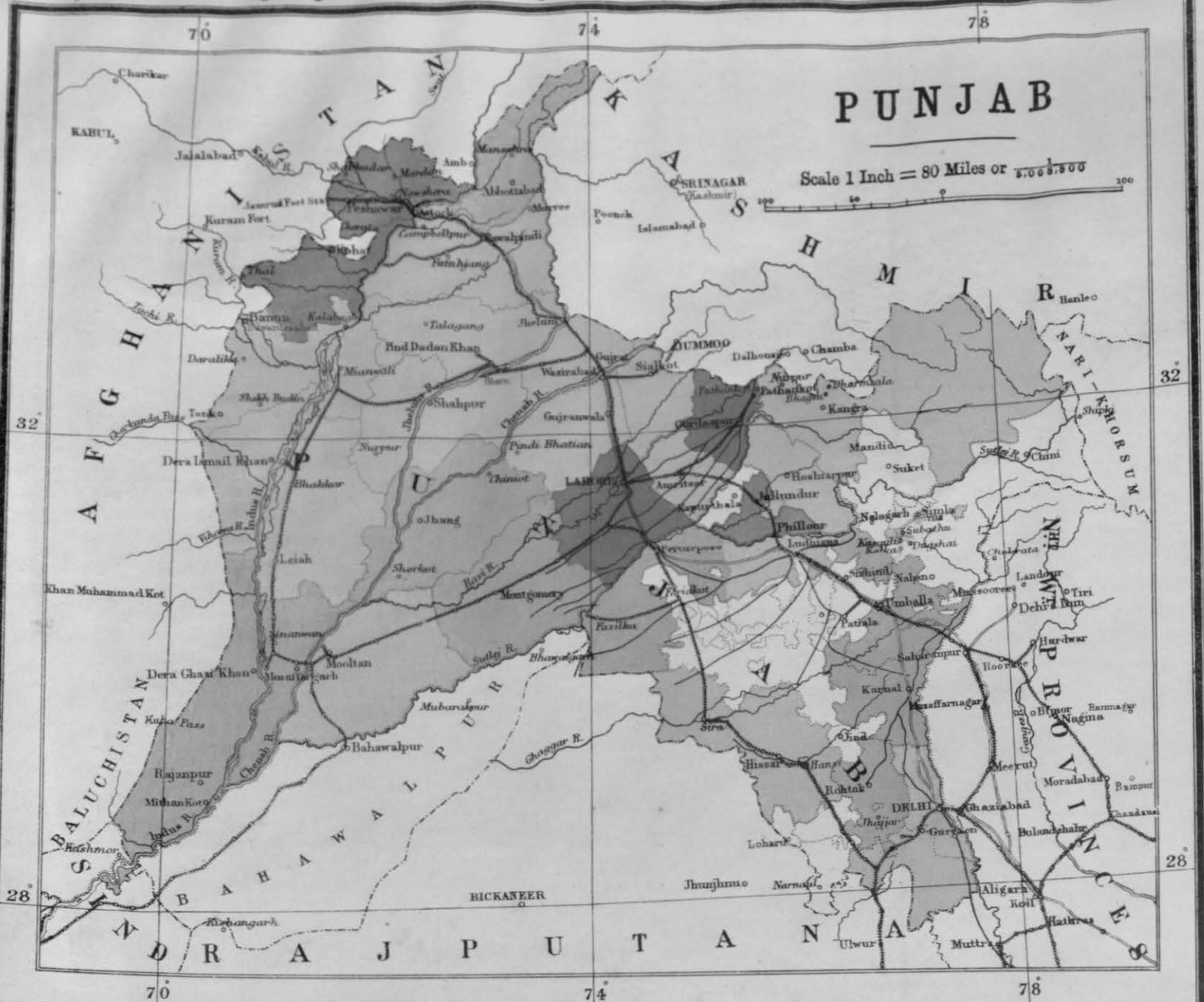


Districts in which the Incidence per thousand of the population is—

- (A) Under Rs. 20
- (B) From Rs. 20 to Rs. 30
- (C) Rs. 30 to Rs. 40
- (D) Rs. 40 to Rs. 50
- (E) Rs. 50 to Rs. 60
- (F) over Rs. 60

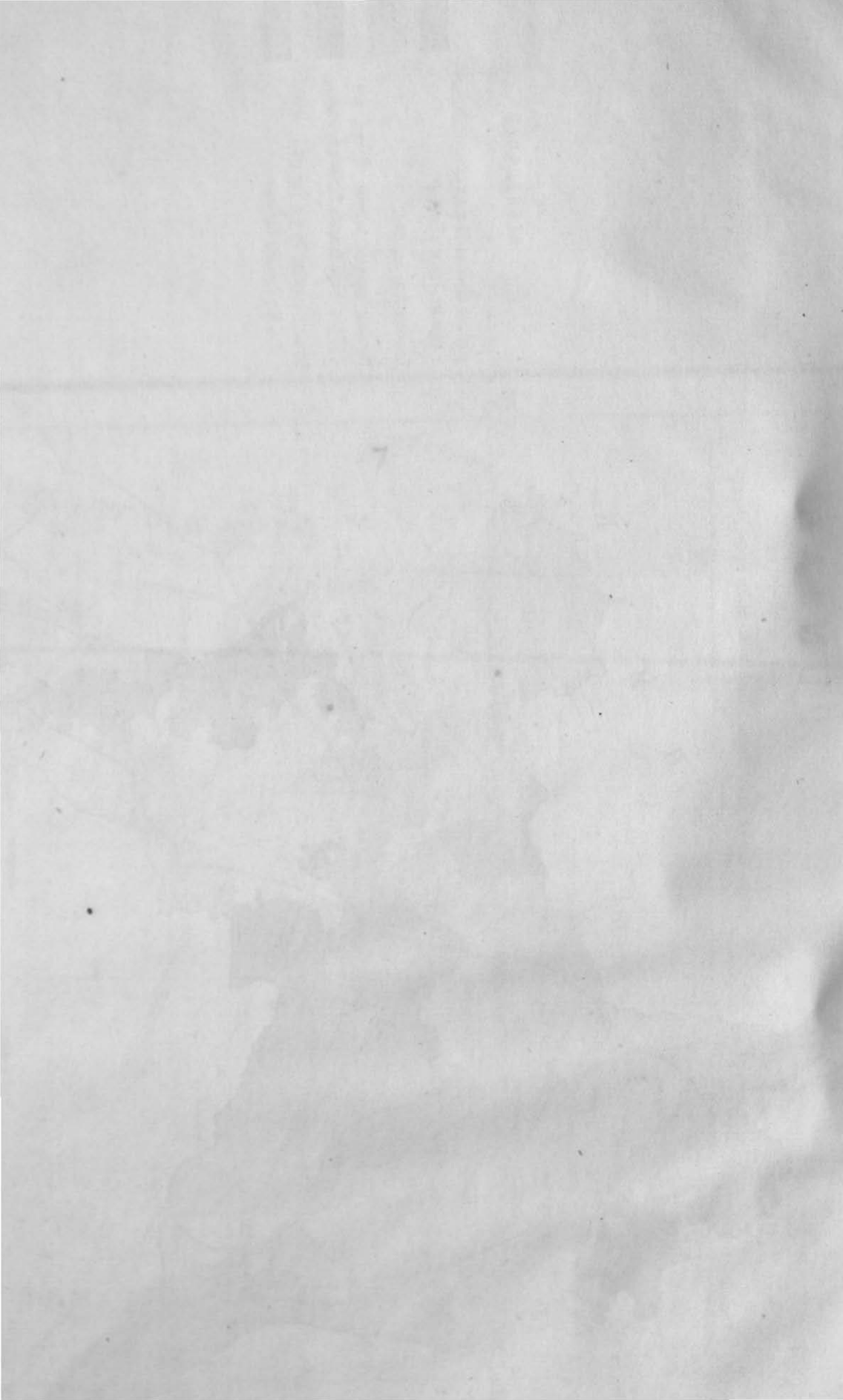


Map III.—Showing degree of conformity in 1888-89 to Mr. Parker's Estimate of Demand.



REFERENCES

- Districts assessed 10 p. c. (or more) higher than Mr. Parker's Estimate.
- Districts fully assessed.
- Districts assessed between 10 p. c. and 25 p. c. lower than Mr. Parker's Estimate.
- Districts assessed 25 p. c. (or more) lower than Mr. Parker's Estimate.



No. 608.

FINANCIAL COMMISSIONER'S OFFICE,
Dated LAHORE, the 26th August 1889.

FROM

D. C. JOHNSTONE, ESQUIRE, C. S.,
Junior Secretary to Finl. Commr., Punjab,

TO

H. C. FANSHAWE, ESQUIRE, C. S.,
Junior Secretary to Government, Punjab.

SIR,

I am directed to submit a report on the working of the Income Tax Act, 1886, during the year ending 31st March 1887, together with the usual Imperial Returns. Three maps, illustrating matters of interest in connection with the tax, are also submitted, and the abstract of rulings for the year prescribed in your letter No. 2581, of 2nd December 1887, para. 14, will be found appended. Last year such an abstract, prepared by Mr. E. W. Parker, and containing all the rulings from the date of the passing of the Act up to that of the compilation of the abstract, was sent to Government under separate cover: the present abstract, which includes all the rulings of 1888-89, not already included in Mr. Parker's abstract, which were passed by or communicated to this office, has been arranged on the same lines, and the note on each ruling has been numbered so that this year's abstract may be readily incorporated when desired with the former abstract so as to form a single compilation.

2. This report is divided into two parts, the first dealing with the Province as a whole, and the second containing a short note on each district separately. It will be found that the directions contained in your letter No. 971, of 14th May, have been for the most part complied with. Parts III and IV of Mr. Parker's Report, it is true, have not been touched upon here, but they are receiving attention and will, it is hoped, be made the subjects of early references to Government. In Part II of the present Report will be found a comparison of Mr. Parker's estimate for each district with the actual results, and in that Part defects still remaining in the administration are set forth. In paragraph 11 too and in other paras. of Part I, reference is made to Mr. Parker's recommendations and to his estimates.

Before proceeding farther, however, a few words are in Mr. Elsmie's opinion necessary with regard to the manner in which the Returns have been treated and the special steps that have been taken to ensure a practical agreement between the Accountant-General's figures and those in the Returns now submitted.

3. The Returns with which the Deputy Commissioners have to deal are Nos. III, IV, V, and VI. No. III, it has been taken, is intended to show total collections whether on account of the year under report or of previous or succeeding years; and in the columns up to 20 inclusive all payments into the Treasury are shown, whether refunds were made subsequently under Chapter IV or otherwise. It is obvious, therefore, that column 20 should show a total equal to the Accountant-General's figures; and the verification and reconciliation of figures affected under the procedure prescribed in this office Circular Memo. No. 22 of 1889 have ensured an almost complete coincidence between the books of the Account Department and the totals of column 20 of Return III, submitted by Deputy Commissioners. Column 21 has also been checked by the Accountant-General, and has been made to agree as far as possible with his figures. It includes all refunds, whether under Chapter IV or Section 33 and whether on account of the year 1886-87, or 1887-88, or 1888-89.

Manner in which Return III has been dealt with.

4. Return IV has been taken as the *administrative* Return. Advance collections on account of 1889-90 are excluded from it, and collections in 1887-88 for the year under report are included. Return IV. Sums collected and afterwards refunded are not shewn as collections, as they do not form effective revenue. "Demand" in this return means demand on account of 1888-89 only. Arrear demand and collections are shewn in separate columns; and throughout this report, except where the contrary is stated, the words "demand" and "collections" are used in accordance with the above remarks. The figures in the Report, therefore, are for the most part not the Accountant-General's figures, but the administrative figures of Return IV; but in the last column of the Returns III and IV will be found notes explaining the differences between the totals of those returns. Mr. Elsmie, I am to say, confidently hopes that the trouble caused to Government last year by the existence of discrepant sets of figures will this year be avoided.

5. Return V agrees with Return III only in the sense that the two are capable of reconciliation. The former contains only administrative figures for the year under report and it excludes penalties and fines. The grand totals, in fact, will be found in substantial agreement with column 17 of Return IV. Return V.

6. Return VI, for the most part, excludes ordinary contingent expenditure. For instance, the stationery used for income tax work is part of the ordinary stationery supplied for the general revenue administration, and is paid for out of "Revenue Contingencies," see notes at foot of schedule in Circular Memo. No. 27 of 1888. Return VI.

It may be remarked here that Mr. Elsmie does not think it desirable to multiply the Returns by adding every year the three supplementary statements submitted last year. In Part II all really important facts regarding rural and town incidence and objection work will be found to have been included.

PART I.

7. The Income Tax Act, 1886, came into force on the 1st day of April 1886. The administration of the tax in the year 1886-87 was, therefore, more or less experimental in nature, and in most districts defects came to light. To secure effectual inspection of the district work and uniformity of procedure the late Mr. J. A. E. Miller was placed on special duty from 28th August 1886, and that officer, by the end of March 1887, had inspected eighteen districts, and had drawn up special reports regarding each, on which the Financial Commissioner passed orders. Thereafter, during the winter of 1887-88, Mr. Elsmie inspected six new districts as well as four already inspected by Mr. Miller; and on 5th March 1888, Mr. E. W. Parker, whose Final Report was submitted to Government with this office letter No. 333, of 26th April 1889, was deputed to finish the work begun by Mr. Miller. It thus appears that at the assessment season of the year 1887-88, and during the period of operations in that year under Chapter IV of the Act, eighteen districts had received the benefit of Mr. Miller's visits and advice; but the remaining districts had not been specially visited, and for a matured opinion on the various problems of the administration sufficient materials were not available. During 1888-89, on the other hand, the Deputy Commissioners had the advantage not only of Mr. Miller's work, and of their own continued experience, but also of the advice and instruction given by this office during the winter of 1887-88 and of the inspections carried out by Mr. Parker in the spring of 1888. While, therefore, some improvement was noticeable in the year 1887-88, a very considerable advance was to be looked for, and has in Mr. Elsmie's opinion been achieved in 1888-89. It is confidently anticipated that during the current year 1889-90, further marked improvement will take place, inasmuch as Deputy Commissioners have now been supplied with Mr. Parker's Final Report, and the Financial Commissioner's instructions based thereupon. In view of the progress which has been made from year to year, it has been thought advisable in this report to draw comparisons not only with the preceding year, but also with the year 1886-87.

The results of 1888-89 to be compared in an especial manner with those of 1886-87.

Collections, final demand, &c.

8. The collections made in the year 1888-89, amounted to Rs. 10,41,950 thus—

Dealt with by Accountant-General	Rs.	2,39,534
Dealt with by Deputy Commissioners... ..	„	8,02,416
Total	„	<u>10,41,950</u>

This total includes collections on account of former years, fines, and penalties, but excludes sums collected and afterwards refunded. In comparing with former years, it will be best to proceed as follows, and to deal with balances in a separate paragraph:—

		1886-87.	1887-88.	1888-89.
		Rs.	Rs.	Rs.
Collections controlled by Accountant-General ...		2,17,177	2,06,727	2,39,534
Demand controlled by Deputy Commissioners.—				
Part I.	{ Initial ... Final ...	{ 36,621 36,391	{ 32,786 32,621	{ 38,778 38,627
Part II.	{ Initial ... Final ...	{ 13,999 13,999	{ 12,490 10,797	{ 11,844 11,844
Part III.	{ Initial ... Final ...	{ 336 336	{ 232 232	{ 845 845
Part IV.	{ Initial ... Final ...	{ 7,77,195 6,98,795	{ 7,63,108 7,09,781	{ 8,22,710 7,58,549
Total	{ Initial ... Final ...	{ 8,28,151 7,49,521	{ 8,08,616 7,53,431	{ 8,74,177 8,09,865
Fines ordered		Nil.	Nil.	Nil.
Penalties ordered		8,924	4,396	1,726
Total		8,924	4,396	1,726
Arrear collections		60	17,007	3,107

With the first entry in above table the Financial Commissioners have no concern. On the other entries I am to offer the following comments.

9. Under Part I. of the Act there has been an increase of Rs. 2,236 as compared with 1886-87, and of Rs. 6,006 as compared with 1887-88. The following fluctuations have occurred in the important districts, viz.:—

		1886-87.	1887-88.	1888-89.
		Rs.	Rs.	Rs.
Delhi		3,228	2,449	3,510
Umballa		519	832	1,160
Simla		5,560	6,522	6,700
Kángra		1,655	1,298	1,412
Jullundur		6,133	2,200	2,505
Lahere		6,670	7,201	6,897
Amritsar		1,282	1,479	2,053
Gurdáspur		2,003	785	2,280
Siálkot		* Nil.	386	1,084
Ráwalpindi		3,375	2,974	3,573

* Result of misclassification.

In Delhi, Umballa, Simla, Amritsar and Siálkot the increase is due to better work. In Jullundur the large figure of 1886-87 is the result of a mistake in classification (*see* para. 14 of last year's Report); but this does not, as there stated, account for the fluctuations in Gurdáspur (*see* para. 39, Part II of this Report).

Under Part II of the Act the following are the figures in the important districts :—

	1886-87.	1887-88.	1888-89.
	Rs.	Rs.	Rs.
Simla	8,855	7,270	8,756
Lahore	677	562	*70
Gurdáspur	2,093	449	370
Ráwalpindi	1,969	1,823	2,188

* Should have been Rs. 590. A company was assessed at Rs. 520 by mistake under Part IV. instead of Part II.

All these variations are simply the result of fluctuations in the profits of the local trading companies. The net increase for the Province is Rs. 1,047 as compared with 1887-88, and there is a decrease of Rs. 2,155 as compared with 1886-87.

Under Part III, there seems to have been a good deal of misclassification in 1886-87. In the year under report the only figure of importance is Rs. 729, representing taxation on the interest paid by the Egerton Woollen Mills, District Gurdáspur, on debentures. The net provincial variations are an increase of Rs. 509 upon 1886-87 and of Rs. 613 upon 1887-88.

10. The difference* between initial and final demand, substantially represents the amount of remissions on objection and appeal. Large remissions will be especially commented upon in para. 12, and the remissions of every district in Part II. Nothing, therefore, need be said here as to the difference between initial and final demand.

Final demand under Part IV. has increased in the following districts :—

	1886-87.	1887-88.	1888-89.	Percent- age of in- crease over 1886-87.
	Rs.	Rs.	Rs.	Rs.
Hissár	20,161	22,395	27,063	34
Rohtak	20,333	22,116	26,114	28
Gurgáon	13,679	14,242	16,641	22
Delhi	76,352	77,241	77,457	1 $\frac{1}{3}$
Karnál	18,025	22,399	28,001	55
Umballa	64,957	65,775	68,405	5
Simla	14,850	16,005	18,333	23
Hoshiárpur	21,052	20,066	24,193	15
Ludhiána	19,862	22,641	24,327	23
Ferozepore	29,319	33,052	35,618	21
Mooltan	26,749	26,872	29,613	11
Jhang	17,997	17,537	19,212	6 $\frac{2}{3}$
Montgomery	11,859	11,680	14,055	18
Amritsar	46,691	45,406	49,875	7
Gurdáspur	21,610	22,475	23,540	9
Siálkot	28,177	28,772	31,443	12
Gujrát	15,793	16,548	16,510	4 $\frac{1}{2}$
Gujránwála	16,284	16,776	17,071	5
Jhelum	17,412	18,042	18,729	8
Hazára	4,860	5,570	7,413	52
Pesháwar	20,123	21,654	21,882	9
Kohát	1,260	1,491	1,711	36
Bannu	5,358	5,785	6,129	14
Dera Ismail Khan	11,513	11,961	13,863	20
Dera Gházi Khan	10,049	9,923	12,397	23

* Repeats 2,708 of this difference is on account of reductions other than remissions proper.

Mr. Elsmie considers that this table shows that a very substantial advance has been made during the last two years. The separate figures will be duly discussed in Part II of this Report. It will be seen that in more than half of these districts the year 1888-89 shows a greater advance as compared with 1887-88, than the latter year does as compared with 1886-87; and in this connection, as well as in reference to the matters dealt with in the rest of this Part of the Report, the remarks in para. 7 should be borne in mind.

In six districts positive decrease has occurred :—

	1886-87.	1887-88.	1888-89.
	Rs.	Rs.	Rs.
Kángra	8,930	8,105	8,067
Jullundur	26,266	20,269	20,988
Lahore	43,514	43,088	41,567
Shahpur... ..	15,028	14,512	11,730
Ráwalpindi	34,556	31,209	30,587
Muzaffargarh	16,176	16,174	16,013

The causes of these reductions of demand will be explained in Part II. In Jullundur and Ráwalpindi the cause is probably faulty administration.

11. One of the weak points in assessments generally under Part IV of the Act has been noticed by Mr. Parker and its remedy indicated. There is a tendency, he says, to spread the net too wide : too many men are brought in under Class I of Return III and the richer assesseees are let off too easily. The remedy for this is the assessment by the Deputy Commissioner himself of all wealthy and influential persons, from whom Tahsildárs are, as a rule, averse to exacting a full tax. It will be interesting and useful to note in what proportion assesseees (collections, Part IV) belonged to (a) class I, and (b) classes II to XV, in the past three years ;—

Assesseees belonging to Part IV.	1886-87, per cent.	1887-88, per cent.	1888-89, per cent.
Class I.	58	57	55
Classes II to XV.	42	43	45

Mr. Parker also rightly considered the maintenance of village note-books a matter of importance in an administration in which officers of all ranks are often transferred at short intervals from tahsil to tahsil and from district to district. Mr. Elsmie is glad to be able to report that in most districts note-books are now kept up with some degree of completeness, and that in many districts the matter has received very especial attention. Most Deputy Commissioners, too, recognise the necessity for personal interest in the assessment work, especially in the higher grades.

12. In para. 55 of last year's Report, the districts of the Province were arranged in six classes. To class A (under Rs. 15,000) now belong Kángra, Montgomery, Shahpur, Hazára, Kohát, Bannu, Dera Ismail Khan, and Dera Gházi Khan, as in 1887-88, but Gurgáon has gone up into class B. To that class (Rs. 15,000 to Rs. 20,000), now belong Gurgáon (new), and (as in 1887-88) Jhang, Gujrát, Gujránwála, Jhelum, and Muzaffargarh. To class C. (Rs. 20,000 to Rs. 25,000) belong as before Hoshiárpur, Jullundur, Ludhiána, and Pesháwar; but the four districts of Hissár, Rohtak, Karnál, and Gurdáspur have gone up into class D (Rs. 25,000 to Rs. 30,000), to which class formerly belonged Mooltan and Siálkot both of which are now in class E (Rs. 30,000 to Rs. 40,000). To class E also belong as before Simla, Ferozepore, and Ráwalpindi; and class F remains as in 1886-87 and 1887-88, containing the four districts of Delhi, Umballa, Lahore and Amritsar.

Mr. Parker estimated the final demand, including penalties, at 7½ lakhs in 1888-89, and it will be seen that the demand has gone some Rs. 47,000 above the estimate.

13. The following table shows under Part IV, the total number of objections lodged, the number rejected, the number accepted wholly or in part, and the amount of remissions in the past three years :—

Years.	NUMBER OF OBJECTIONS.			†Number of objec-tors per hundred of assessesees.	AMOUNT REMITTED.			Percentage of initial demand remitted.
	Rejected.	Accepted	* Total.		By Col-lectors.	By Commis-sioners.	Total.	
1886-87 ...	not reported.			34·7	Rs. 74,914	Rs. 3,486	Rs. 78,400	10
1887-88 ...	6,123	3,126	9,249	26	50,689	2,638	53,327	7
1888-89 ...	7,183	3,221	11,404	30·7	59,387	2,066	61,453	7·5

* Cases pending at end of year omitted : only 10 cases pending at end of 1888-89.

† Pending cases included.

The large increase in the demand in some districts accounts for a good many of the objections in 1888-89. Remissions were high in comparison with demand in the following districts :—

	Rs.		Rs.
Rohtak	5,249	Gujrát	2,455
Delhi	6,665	Gujránwála... ..	2,008
Simla	2,715	Jhelum	§ 2,825
Ludhiána	2,348	Ráwalpindi	3,148
Ferozepore	‡ 3,174	Pesháwar	6,457
Gurdáspur	2,105	Dera Ismail Khan	1,575
Siálkot	2,406	Dera Gházi Khan	4,332

The Commissioner of Delhi heard 46 appeals and remitted Rs. 278; Commissioner, Jullundur, 226 appeals and remitted Rs. 480; Commissioner, Lahore, 90 appeals, remitting Rs. 460; Commissioner, Ráwalpindi, 128 appeals, remitting Rs. 444; Commissioner, Pesháwar, 11 appeals, remitting Rs. 30; and Commissioner, Deraját, 79 appeals, remitting Rs. 377.

14. This office Circular No. 9 of 1888 drew the attention of all Deputy Commissioners to the necessity for care and moderation in the award of penalties. In 1886-87, 743 persons were ordered to pay penalties, aggregating Rs. 8,924; in 1887-88, 850 persons were ordered to pay Rs. 4,396, and in the year under report the figures fell to 598 persons and Rs. 1,726 penalty. Attachment orders in the year under report were rare, and in most districts issue of special notices to defaulters was

‡ See para. 33.

§ See para. 44.

not found necessary. All this shows real improvement in assessment and collection work, especially as balances are low. In the returns of most districts penalties are either absent or nominal.

15. At the beginning of 1888-89 Rs. 3,653 of the demand on account of former years remained as recoverable arrears. Of this sum Rs. 3,107 has been collected; and most of the rest is really irrecoverable.

Arrear collections.

16. In 1886-87 the balance uncollected at end of year was Rs. 22,224 and at the end of 1887-88, Rs. 9,536. On 1st April 1889 the out-standings amounted to Rs. 5,969, of which the greater part was collected within the next two months.

Balances.

17. It is believed that there is some improvement in the classification in Return V, but for the reasons given in para. 64 of last year's Report, the figures in that return can never be wholly satisfactory.

Classification of assesses.

18. The expenditure during the last three years is thus compared :—

Expenditure.

	1886-87.	1887-88.	1888-89.
	Rs.	Rs.	Rs.
Establishment	35,383	14,697	16,099
Travelling allowances	1,043	177	754
Contingencies	1,425	829	749
Total	37,851	15,703	17,602

Mr. Parker considered Rs. 16,000 a fair estimate for normal expenditure. In 1886-87, Rs. 12,372 was on account of the Income Tax Commissioner, in 1887-88 only Rs. 464, and in 1888-89 Rs. 6,792.

19. Special revising agency may be required next cold weather in certain districts, such as Jullundur, where the assessment lists are plainly imperfect. This matter will receive the very early attention of the Financial Commissioner

Miscellaneous.

In Financial Commissioner's Circular No. 26 of 1888 rules under Section 38 (i) of the Act were published for general information and guidance. It does not appear that application to compound has as yet been made in any district of the Punjab.

20. In Part II will be found in each paragraph the figures which the final demand under all the Parts (excluding penalties and fines) will probably reach in each district. The total final demand for the past year was Rs. 8,09,865, and for the current year the probable figure is Rs. 8,95,561. Here there is a very substantial increase, both as compared with the past year and with Mr. Parker's estimate of 8½ lakhs.

Prospects of current year.

21. The reports submitted by the following officers appear to be the best :—

Notice of Officers.

Mr. A. Anderson, C.S., Hissár.
Mr. R. Clarke, C.S., Delhi.
Mr. J. Drummond, C.S., Karnál.
Col. W. Parker, Ludhiána.

Col. Birch, Ferozepore.
Mr. T. J. Kennedy, C.S., Montgomery.
Major Montgomery, Siálkot.
Mr. J. Wilson, C.S., Shahpur.

The returns of all but a few districts, e.g., Gurgáon and Montgomery, were faulty, and their correction has given considerable trouble both to this office and to the Deputy Commissioners concerned. The Financial Commissioner will, however, arrange for the issue next spring of instructions which it is hoped will remove all doubts as to the mode of filling in the statements.

PART II.

DELHI DIVISION.

22. **Hissar District.**—The following table shows, under all the Parts, the probable final demand of 1889-90 and the actual final demand for the year 1888-89 as compared with the years 1886-87 and 1887-88. Fines and penalties and demand on account of previous years are excluded.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	20,414	} 25,000	Actual.
1887-88	22,658		Ditto.
1888-89	27,419		Ditto.
1889-90	32,000		Probable.

The results are very satisfactory and reflect credit on the Deputy Commissioner, Mr. A. Anderson, C. S. Objections—63, all heard by the Deputy Commissioner—were less numerous than in the previous year (96), and no appeals were made to the Commissioner, though the revenue under Part IV has risen from Rs. 22,395 to Rs. 27,062. Remissions proper amounted to about 1 per cent. of the demand; and, low though this rate is, Mr. Elsmie is disposed to attribute it to careful assessment work rather than to the causes suggested in para. 23 of the Provincial Report for 1887-88. Only one out of every 20 assesses raised objections, and even of these some did not prosecute their objections. There was no difficulty felt in collecting the tax: no penalties were inflicted and no balance remained uncollected at the end of the year. Of all this the chief cause is the careful way in which the Deputy Commissioner has watched and directed the administration. It is also to be remembered that the year 1887-88, on the income of which assessments were based, was a prosperous year. There was, to use Deputy Commissioner's words, "a good kharif and an excellent rabi: grain was exported in great quantities: prices of grain were most favorable to producers who were able to pay off old debts and have something over." Again, the assistance of the peripatetic Settlement establishment, the Deputy Commissioner admits, was valuable in bringing to light incomes which might otherwise have remained unknown. Lastly, the Deputy Commissioner, adopted with considerable success the plan, declared* by the Government of India to be unobjectionable, of issuing to individual assesses, enjoying incomes over Rs. 2,000 in amount, invitations to declare their incomes, the invitation being in each case practically an extract from the general notice published under Section 18 (1) (b) of the Act. This plan has, under the orders of the Financial Commissioner, been commended for adoption to Deputy Commissioners generally throughout the Province—see Financial Commissioner's Circular Memo. No. 25 of 1889.

The proper rural incidence *per mille* of the population was stated by Mr. Parker as Rs. 16 for Hissar. This limit has been reached. The town incidence has risen to Rs. 180, though Mr. Parker thought Rs. 148, the figure of 1887-88, sufficient. Mr. Elsmie does not think, however, that over-assessment has occurred.

* Government of India, Department of Finance and Commerce, No. 958, of 22nd May 1886, para. 2 (c).

23.

Rohtak District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	20,560	18,500	Actual.
1887-88	22,275		Ditto.
1888-89	26,268		Ditto.
1889-90	27,280		Probable.

This district, it appears to Mr. Elsmie, is likely to prove permanently much more productive of Income Tax revenue than Mr. Parker expected. The final demand has risen to Rs. 26,268 already, whereas Mr. Parker's estimate was Rs. 18,500. Mr. Elsmie is disposed to put the normal yield at about Rs. 25,000, as the year 1887-88, on which the assessments were based was, as in the case of Hissár, a favorable year. The original demand under Part IV was raised from Rs. 23,211 in 1887-88 to Rs. 31,363 in the year under report. 384 objections under this Part were lodged in 1888-89. Of these 236 were wholly or partially successful and remissions amounted to Rs. 5,249. The Financial Commissioner thinks the amount remitted excessive, and it seems very likely either that remissions were made too freely or that the assessments were not made with sufficient care in the first instance. The Deputy Commissioner heard nearly half the objections in person and remitted Rs. 2,561. Penalties amounted to only Rs. 3 and collection was made without difficulty.

Rural incidence *per mille* has risen above the Rs. 26 which Mr. Parker thought too high, and it seems likely that his estimate was not high enough. Town incidence he puts at Rs. 130 as a fair rate. Taking the five chief towns of the district the rate was Rs. 144 in 1887-88 and Rs. 151 in 1888-89.

24.

Gurgaon District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	14,052	16,000	Actual.
1887-88	14,575		Ditto.
1888-89	16,941		Ditto.
1889-90	17,500		Probable.

In this district also it appears likely that Mr. Parker has, though in a smaller degree, underrated the normal yield. In 1887-88 the final demand was about Rs. 1,500 below Mr. Parker's figure, and no doubt the assessments of that year were insufficient. Increased attention has now been given to the subject, and in 1888-89 the final demand is Rs. 961 above Mr. Parker's expectations. The rise in initial demand caused an increase in number of objections filed, which amounted to 195 in 1887-88 and 218 in the year under report; but in spite of this, the total reduction on objection and appeal amounted to the small sum of Rs. 627, shewing *prima facie* the existence of an accurate set of assessment lists. The Deputy Commissioner, it is to be observed, disposed of all the objections himself. It is especially in the Gurgáon Tahsíl that improved assessment have

been made, and Deputy Commissioner gives the credit of this to the Tahsildár Dharm Naráin, now retired, at present Manager of the Wards' Estates in Umballa. That over-assessment has not occurred may be inferred from the small amount of penalties levied and the absence of uncollected balances.

There are six principal towns in this district, having a population of 64,523, and an income tax yield, in 1888-89, of Rs. 6,744. This gives an incidence *per mille* of nearly Rs. 105 which is still Rs. 25 below the normal incidence as estimated by Mr. Parker, though Rs. 13 above the incidence in 1887-88. The town of Palwal is, in Deputy Commissioner's opinion, under-assessed, and attention is being paid to the matter. The rural population, amounting to 567,325, paid Rs. 10,217, the incidence being Rs. 18 *per mille*, which is practically on a level with Mr. Parker's estimate of "Rs. 18 or Rs. 20."

25. Delhi District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 79,595	} 80,000	Actual.
1887-88	79,757		Ditto.
1888-89	81,076		Ditto.
1889-90	78,000		Probable.

The initial demand under Part IV for this district was Rs. 84,122, which was a large advance on the previous year. It is said that all the Tahsildárs seemed to think it incumbent upon them to show increased figures, and there was apparently a rather reckless inclusion in the lists of numbers of assessees in the lowest class of income (Rs. 500 to Rs. 750). As a consequence of this procedure the objections, which had been 494 in 1887-88, rose to 798, and the remissions amounted to Rs. 6,575. The Deputy Commissioner heard all the objections himself, rejecting 393 and accepting, wholly or in part, 405. Mr. Elsmie is disposed to think that the district, as a whole, has reached a full assessment, and that Mr. Clarke was right in making remissions freely in the case of assessees of the lowest class. He also thinks that Mr. Clarke deserves credit for hearing all the objection cases in person: the state of the assessment lists rendered this extremely desirable.

At the time of writing his Report half of the uncollected balance of Rs. 734 had been recovered, and early realization of the remainder was expected.

It will be seen that Rs. 195 was levied by way of penalty. The Deputy Commissioner explains that all these penalties—123 cases—were awarded by Tahsildárs who misread an order in a specific case issued by Mr. Merk, Officiating Deputy Commissioner, in 1887, and assumed the right of fining without reference to higher authority. Mr. Clarke has now put a stop to the practice which is plainly illegal, as Collectors only are authorized to impose penalties.

The chief towns in the district (excluding Delhi), Sonapat, Farídabad, and Ballabgarh, have a population of 26,325. In 1887-88 they yielded Rs. 3,406, incidence *per mille* being Rs. 131, and in 1888-89 the yield was Rs. 3,625, or Rs. 139 *per mille*. For Delhi City the incidence in these two years was Rs. 314 and Rs. 315, respectively. The Financial Commissioner does not think the town incidence on the whole too high, Delhi City being a very important and wealthy trade centre.

Mr. Parker was of opinion that the rural incidence in 1887-88 (Rs. 45) was rather high. Sonepat, especially, he deemed to be over-assessed, and this view, the Deputy Commissioner says, has been confirmed by experience. In the year under report the Delhi Tahsil shows incidence Rs. 43 *per mille*, Sonepat Tahsil Rs. 64, and Ballabgarh Tahsil Rs. 23.

26.

Karnal District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	18,366	22,000	Actual.
1887-88	22,667		Ditto.
1888-89	28,526		Ditto.
1889-90	40,000		Probable.

The report for this district, which should have reached this office by 1st May, was received on June 13th, that is, 44 days late. The report, though unnecessarily voluminous, is however a good one.

The assessment work has apparently been done very carefully, and the demand has risen far above Mr. Parker's estimate. The initial demand for last year was Rs. 29,089, and remissions amounted to Rs. 1,105, leaving a final demand of Rs. 27,984. Objection petitions to the number of 458 were lodged. For 1887-88 the objections were stated at 132, but this was exclusive of objections rejected *in limine*. In 1888-89, 376 objections were rejected and the rest accepted wholly or in part. Excluding 66 petitions summarily rejected, the Deputy Commissioner heard 152 or 38.5 per cent. Further, all cases in which remission appeared advisable were referred to the Deputy Commissioner for final orders. The penalties levied amounted to Rs. 171. Out of 86 defaulters, 26 paid penalties, two paying sums equal to the tax and three paying nearly a like amount. About Rs. 40 of the total sum of penalties represents cost of process recovered. It appears therefore that real penalties were not levied to any large extent.

It is known to Government that the boundaries of the Hissár, Karnál, and Umballa Districts have been recently altered, the Pehowa Parganah of Umballa going over to Karnál and the Badhládha villages of Karnál being transferred to Hissár. From an income tax stand-point the Karnál District has gained by this, and the Deputy Commissioner thinks Rs. 40,000 should be the collection under the Act in average future years, and he would never, he says, be satisfied in any year with a collection of less than Rs. 30,000. He admits, however, that the year 1888-89, on the incomes of which the initial demand of 1889-90 is based, was an exceptionally favorable year; and it would, therefore, be safer in the Financial Commissioner's opinion to estimate the average yield at a considerably lower figure.

Mr. Parker estimated Rs. 150 *per mille* as a fair town incidence for Karnál. In the year under report the incidence was Rs. 116, but it is hoped that a higher figure will be reached in the current year. The rural tracts yielded Rs. 36 *per mille*, Mr. Parker's estimate being Rs. 27. It is possible that he did not calculate on the same population as the Deputy Commissioner has taken.

27. Umballa District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	65,476	60,000	Actual.
1887-88	66,607		Ditto.
1888-89	69,565		Ditto.
1889-90	66,500		Probable.

This district, it will be seen, has in every year gone considerably beyond Mr. Parker's estimate in the matter of final demand. The initial demand under Part IV was Rs. 69,910, and the objections lodged numbered 806,* of which 160 were wholly or in part accepted, at a cost of Rs. 1,505, and 7 pending at the close of the year. The Extra Assistant Commissioner only heard objections in cases where the assessment did not exceed Rs. 10, and even in these cases he passed no orders of acceptance of petitions: where he thought petitions should be accepted he reported to the Deputy Commissioner. No coercive measures were found necessary for the recovery of the tax. The uncollected balance at the end of the year was large, amounting to Rs. 1,030. By the middle of May, when the Report was written, this had been reduced to Rs. 527, whereof Rs. 250 is uncollected pending result of an objection petition and the rest is partly irrecoverable and partly in train of liquidation.

* Heard by Deputy Commissioner, 225.
Heard by Extra Assistant Commissioner, 581.

Mr. Parker in his Final Report calculates the town incidence *per mille* as Rs. 252 and the rural incidence as Rs. 33, and in both cases remarks that the incidence is high. There are nine towns of importance in the district with a population of 128,578, and an income tax yield of Rs. 32,928, representing an incidence of Rs. 255. Of these towns Jagádhrī is, in proportion to population, the most productive, and Buria, which is little more than a large agricultural village, the least productive, the incidence *per mille* in the two cases being Rs. 467 and Rs. 95, respectively. The rural incidence is now Rs. 38.

The Pehowa Parganah of the Umballa District has recently been transferred to Karnál, and Rs. 3,000 of future income tax revenue with it; but even so the final demand for current year is expected to be considerably above Mr. Parker's estimate.

In Punjab Government letter No. 623, of 28th March 1889, it was ruled that the offerings made to the Brahman Pandits of Thánesar by pilgrims should be held exempt from income tax. These offerings will, therefore, not be taxed for the future. The Deputy Commissioner in giving the details of the uncollected balance of the year under report says: "Another sum of Rs. 90 is a nominal outstanding from the Brahmans of Thánesar who have lately been exempted by the Government from tax on charitable income obtained by them at *melás* held at times of solar eclipse." He also mentions the fact that the assessment for 1888-89 on these offerings amounted to Rs. 1,411, which has, of course, been remitted in consequence of the Government ruling. In connection with this the Commissioner, who had probably not then seen the orders, remarks that the exemption was made "presumably on the score that the income is not personal but for benefit of the shrines. My belief is that it is expended mostly on dissipation." The reason for the remission as stated in the Government order is that the offerings are made from funds solely employed for religious and public charitable purposes—see Section 5 (1) (e) of the Act.

28.

Simla District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	29,382	35,000	Actual.
1887-88	30,029		Ditto.
1888-89	33,905		Ditto.
1889-90	34,000		Probable.

The administration of the tax in this district is clearly improving. The migratory nature of the population of Simla and the presence during the summer of a large European population render the management of operations under the Act a matter of difficulty, but Mr. Elsmie is satisfied that Mr. Coldstream has paid much attention to the subject.

Two hundred and one objections were made, * 199 of them being to assessments under Part IV. The total reductions by Collector and Commissioner amounted to Rs. 2,715. On the whole collections were made without difficulty, and only Rs. 8 was levied by way of penalty. The outstanding balance at the end of the year, Rs. 1,243, seems large; but the peculiar circumstances of Simla afford sufficient excuse for this. Both the town and rural incidences of Simla District are abnormal, and no object is gained in discussing them.

Four rulings by the Deputy Commissioner as to liability of various forms of property and income are set forth in his report for the information of the Financial Commissioner. These were referred to the Government Advocate for opinion, as the Financial Commissioner was doubtful of their correctness. The only two that appear to require notice here are (1) a ruling that an occupying house owner must pay income tax on the usufruct of the furniture in his house; and (2) a ruling that municipal tax paid by a tenant of a house constitutes a part of the landlord's income from the house, and is assessable as such. The Financial Commissioner has, I am to say, after consulting the Government Advocate, informed the Deputy Commissioner that in both cases his rulings are apparently erroneous.

JULLUNDUR DIVISION.

29.

Kangra District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886 87	10,693	10,000	Actual.
1887-88	9,403		Ditto.
1888-89	9,479		Ditto.
1889-90	9,500		Probable.

The initial demand under all the parts was Rs. 9,710, Rs. 1,412 under Part I and Rs. 8,298 under Part IV. The final demand under Part IV was Rs. 8,067, revision by Collector having resulted in a loss of Rs. 221, and Com-

missioner having remitted Rs. 10. Sixty-three objections were filed, as against 148 and 76 in the years 1886-87 and 1887-88, respectively. Of these 63 objections Deputy Commissioner heard 59 and the Assistant Commissioner of Kulu 4.

The Deputy Commissioner, Mr. O'Brien, thinks that the district is not yet fully assessed in some directions. He says that, as he becomes better acquainted with the district, it seems to him "that the limit of taxation has been reached in the case of the planters unless the price of tea increases, but that there is room for higher assessment in the case of the persons who lend money on interest and who make advances of grain. They get off very lightly, as also do the cloth merchants." The Financial Commissioner, however, does not anticipate any important increase of revenue in this district, and Deputy Commissioner expressly estimates the final demand for current year at about the same figure as that for the past year.

In Mr. Elsmie's opinion the administration of the tax in Kángra has been careful and successful. Only one penalty (Rs. 10) was levied, and the objection and collection work was alike well done. Rs. 69 remained uncollected, but this was from causes beyond the Deputy Commissioner's control.

There is not, Mr. O'Brien reports, a single town of 6,000 souls in the district. The rural incidence is about Rs. 13 *per mille*, if the whole district be considered rural.

30.

Hoshiarpur District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 21,052	} 22,500	Actual.
1887-88	20,579		Ditto
1888-89	24,666		Ditto
1889-90	26,700		Probable.

The initial assessment for 1889-90 is Rs. 27,081.

The past history of the tax in this district is not satisfactory, but the visits of Mr. Elsmie and Mr. Parker to the district and the examination made by them of the Income Tax work have led to an improvement. How great that improvement has been can be gathered from the following figures:—

YEARS.	Initial demand, Part IV.	Total remissions Part IV by Collector.	Remissions for Rs. 100 of initial demand.
1886-87	Rs. 29,766	Rs. 9,169	31
1887-88	21,013	531	3
1888-89	26,022	1,829	7

The large remissions in 1886-87 were due to the extraordinary leniency shown by Mirza Azim Beg, Extra Assistant Commissioner, in dealing with petitions of objection. During the following year the demand was allowed to fall considerably below its proper figure, and the low percentage of remissions

is due partly to this cause. Last year, on the other hand, assessment lists appear to have been made out with greater care and completeness, and on the whole the district is perhaps now fully assessed, though the Deputy Commissioner anticipates increased revenue in certain directions. In dealing with this district it should be remembered that, rich as it may be, it is an agricultural district.

Petitions of objection rose from 240 in 1887-88 to 484 in 1888-89. This is accounted for by the increased demand. Nearly one-third of the assessees objected. The Deputy Commissioner heard only 89 cases, and Pandit Somdat, Extra Assistant Commissioner, 395; but the Deputy Commissioner took pains in supervising the Pandit's work, which appears to have been well done. Three hundred and fifteen objections were rejected and 169 accepted in whole or part. The appeals to the Commissioner numbered 107, but only Rs. 140 was remitted in consequence; which seems to shew that, when objections were rejected by the Deputy Commissioner or the Pandit, there were for the most part good grounds for the rejection.

Collection was made without difficulty, and only 2 penalties were levied.

Mr. Parker's estimate for the rural incidence in Hoshiárpur is Rs. 18 per 1,000 and for town incidence Rs. 140. Taking the ten municipal towns of the district, we find that they yielded in 1888-89, Rs. 147 *per mille*. The rural population, 826,938 souls, contributed Rs. 14,054, or Rs. 17 *per mille*. The urban assessments, therefore, have surpassed Mr. Parker's estimate, and the rural incidence is very near it.

31.

Jullundur District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	* 26,731	} 35,000	Actual.
1887-88	22,469		Ditto
1888-89	22,493		Ditto
1889-90	25,200		Probable.

* The figure is Rs. 32,529 according to Return IV, but Rs. 5,798 have to be deducted—1 see para 2 of Report for 1887-88.

This district has in past years been an unsatisfactory one in the matter of Income Tax administration. Last year the district was visited by Mr. Parker, who found the assessments too light and the remissions enormous. In 1886-87 the remissions amounted to 22.3 per cent. of the initial demand; and in 1887-88, Rs. 3,796 (15.8 per cent.) was remitted. The final demand for the year under report has not risen much, but the remissions amounted only to Rs. 792, (or 3.4 per cent.) which shows *prima facie* a more careful assessment. The demand, however, is much too low, though supplementary assessment lists were under the Financial Commissioner's orders issued for the Jullundur and Nakodar tahsils and for the Jullundur Cantonment, and though enquiry under Part I appears to have been more searching than formerly. As already stated it will probably be necessary to appoint a special officer to this district for the purpose of assessment of income tax during the next cold weather and in any case the administration of the Act will continue to be carefully watched and controlled.

Collection appears on the whole to have been made without difficulty.

Of 248 objections, the Deputy Commissioner heard 102. Only 43 of the whole were accepted, and 205 were rejected. Of 21 appeals 14 were rejected.

According to Mr. Parker town incidence in Jullundur should be Rs. 180 *per mille* and rural Rs. 18 to Rs. 20. As a fact the towns pay Rs. 132 *per mille*, and the country tracts Rs. 9,004, or 13 *per mille*. In neither case does Mr. Elsmie consider the fair limit of taxation has been reached.

32.

Ludhiana District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	20,296	} 26,000	Actual.
1887-88	23,074		Ditto
1888-89	24,769		Ditto
1889-90	25,400		Probable.

The original demand for 1887-88 under Part IV was Rs. 24,403, and for 1888-89 it was Rs. 26,675. The latter figure is thus arrived at—

	Rs.
Original lists	25,470
Supplementary lists	1,142
Enhancements of assessment made in the course of hearing objections	63
Total	<u>26,675</u>

It need hardly be remarked that enhancement of assessments in the course of hearing objections is not contemplated by the law, and the Financial Commissioner has drawn the Deputy Commissioner's attention to ruling No. 113, Appendix VI, Punjab Income Tax Manual.

On the whole, however, the working of the Act in this district has been good. Four hundred and fifty-nine objections were lodged, whereof the Deputy Commissioner disposed of 368. Of the total number 263 petitions were rejected and 196 accepted, wholly or in part, at a cost of Rs. 2,316 (8½ per cent. of the total original demand). The Commissioner, disposing of 22 appeals, remitted only Rs. 32. Collection was made without difficulty. There were no balances, and no infliction of penalties was found necessary. Financial Commissioner's Circular No. 14, of 1888 directed the taxation of mission employés. In Ludhiána, however, questions arose which caused delay in the assessment of this class of persons, and it was not till after the close of the financial year that the tax (Rs. 367) on the salaries of the local mission servants was collected.

Mr. Parker's view was, that the rural incidence in Ludhiána should be Rs. 18 to Rs. 20 and not Rs. 13 as it was in 1887-88. He also thought that the town incidence, Rs. 187, was rather high. The present state of affairs is—

	Rs.
*Town incidence	206 <i>per mille</i> .
Rural incidence	15. "

As there are no indications of over-assessment in the towns, Mr. Parker's estimate appears to have been pitched too low.

* Five towns, population 80,202, tax Rs. 16,513. Rural tracts, population 538,633, tax Rs. 8,256.

33.

Ferozepore District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 30,547	Rs. 32,000	Actual.
1887-88	34,414		Ditto
1888-89	36,765		Ditto
1889-90	42,095		Probable.

Ferozepore, which is the centre of the wheat export trade of the Punjab, is a large and prosperous district, and taxable incomes are on the increase. The income tax revenue shows a tendency to rise steadily. The demand under Part IV was Rs. 35,598 or Rs. 2,546 above 1887-88. The difference between the initial and final demand for 1888-89 is Rs. 4,155, but of this Rs. 3,174 only was remitted on objection, and Rs. 210 on appeal, while Rs. 791 was really payable, and was recovered, in other districts. Even so the remissions are rather high. The increase in initial demand caused an increase in objections which rose from 349 to 492. Of these 198 were accepted in whole or in part, and 293 were rejected, one being still unheard at the end of the year pending the result of the assessee's petition to be declared an insolvent. The Deputy Commissioner heard 270 petitions himself. Mr. Elsmie considers this creditable to the Deputy Commissioner, who indeed appears to have taken great interest in the administration of the tax generally. The report is a good one, and the only unsatisfactory feature in it is that relating to penalties and use of coercive measures generally. In the Moga Tahsil, where Tara Singh, Tahsildar, is said to have done good work, no coercive measures were required; but in the rest of the district 310 processes were issued under Section 30 of the Act, and in 39 cases penalties aggregating Rs. 338 were inflicted. Mr. Parker deemed a rural incidence *per mille* of Rs. 20 sufficient for Ferozepore, and the incidence is now Rs. 22½. There are nine towns of importance in the district, taking the cantonments as a separate town, and the incidence *per mille* is about Rs. 280. Mr. Parker thought Rs. 270, the incidence in 1887-88, high; but Mr. Elsmie is not inclined to take this view. Fazilka, with its population of 6,856 souls, shows the highest incidence, Rs. 767, but the trade of that place is brisk and grows year by year. Zira, too, which yields Rs. 395 per 1,000 souls, and Ferozepore with its incidence of Rs. 365, do not seem to the Financial Commissioner to be over-assessed.

The unrecovered balance of Rs. 373 is due for the most part from a single assessee, whose objection is pending, as already stated.

LAHORE DIVISION.

34.

Mooltan District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 27,412	Rs. 31,000	Actual.
1887-88	27,963		Ditto
1888-89	30,504		Ditto
1889-90	37,600		Probable.

The working in this district has been decidedly good. The initial demand under Part IV was Rs. 30,433, and of this only Rs. 820 was remitted on objection; 364 objections were filed, the original assesses under Part IV numbering 1,594. The Deputy Commissioner, heard 362 cases in person, accepting six petitions in part and twenty-eight in whole.

Notwithstanding the increased revenue in 1888-89 as compared with the previous years, Major Hutchinson, after careful enquiries in camp, formed the opinion that a full income tax revenue had not been reached. For the current year the initial demand is accordingly much higher than it was in the past, and has been fixed at Rs. 37,500 under Part IV. There were no balances at the end of the year and no penalties had to be levied.

There are only two large towns in the district; in the past year they paid Rs. 13,539 in income tax. The town incidence of the district is therefore Rs. 181 *per mille*, Mr. Parker's estimate being Rs. 180. The rural population paid Rs. 35 *per mille*, Mr. Parker thought Rs. 28, the incidence in 1887-88, rather high.

35.

Jhang District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 18,305	Rs. 15,000	Actual.
1887-88	17,800		Ditto.
1888-89	19,462		Ditto.
1889-90	23,460		Probable.

The assessment of this district has gone far beyond Mr. Parker's estimate, and yet there are no signs of serious over-assessment. The assessment lists, it is believed, were carefully drawn up; and the total reduction on objection and appeal was very small, Rs. 338 (or 1.7 per cent.) as against Rs. 899 in the previous year. There were 442 objections and 22 appeals as compared with 445 and 23 in 1887-88. Of the objections lodged in 1888-89, 288 were rejected for want of prosecution, and of the remaining 154 only 18 were accepted in whole or part, and 136 were rejected. Of the 22 appeals 12 were rejected. All this appears to the Financial Commissioner satisfactory; for there is reason to believe that the objection work was done carefully. Rs. 420 was levied by way of penalty from 61 assesses, and the Financial Commissioner doubts whether this was really necessary. The Deputy Commissioner says he issued a notice on 11th June 1888 to defaulters in accordance with Financial Commissioner's Circular No. 9, of 1888, allowing four days for payment. Sixty-one persons neglected to comply, and each was ordered to pay a penalty not exceeding one of four days might have led to better results; and indeed the Circular quoted suggests a week or ten days' grace.

Mr. Parker thought the town incidence *per mille* (Rs 128) and the rural incidence (Rs. 36-8-0) in 1887-88 rather high than otherwise. For 1888-89 the figures are Rs. 129 and Rs. 40, respectively.

36.

Montgomery District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 11,859	Rs. 12,000	Actual.
1887-88	11,754		Ditto.
1888-89	14,120		Ditto.
1889-90	16,000		Probable.

In this district the administration during the past year has been good and the report is very full and clear. In 1887-88 the initial demand under Part IV was Rs. 12,165 and the final Rs. 11,680. In 1888-89 the figures were Rs. 14,975 and Rs. 14,055, respectively. The total reduction on objection and appeal in the former year was, therefore, 4 per cent. of the initial demand, and in the year under report 6 per cent. which is not high. The increased demand is in part the result of supplementary assessments; and the Deputy Commissioner points to three main causes of the increased yield, *viz.*, careful assessments, revival of agriculture after a depression, and the development of the country by canals.

Out of 255 objections filed, all heard by the Deputy Commissioner, 49 were admitted in whole or part, and the rest dismissed. Most of the accepted objections were directed against irregular enhancements of assessment upon persons already included in the original lists, and such objections were accepted *in limine* and not on the merits of the assessment itself. A large proportion of the objections were not prosecuted. Collections appear to have been made without much difficulty, penalties being few and balance small.

The initial demand for 1889-90 is Rs. 17,335 under Part IV, and it is said, that the increase is chiefly in the Montgomery Tahsil, where the Tahsildár, last year, allowed many wealthy persons to escape due taxation. Mr. Kennedy gives reasons for his view that this assessment is not really excessive.

Mr. Parker thought the town incidence should be Rs. 110 in Jhang, and the rural under Rs. 24 *per mille*. The actual figures for 1888-89 are Rs. 111 and Rs. 28, respectively.

37.

Lahore District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 50,933	Rs. 55,000	Actual.
1887-88	50,851		Ditto.
1888-89	48,534		Ditto.
1889-90	53,193		Probable.

In the Government Review of the Income Tax Report for 1887-88, the declining revenue of Lahore under the Act was criticised. During the year under report there has been a further decline. One of the largest tax-payers in the district was appointed Judge of the Chief Court in 1888, and his income for the most part ceased to be taxable under Part IV, and another large tax-payer died, with the result that a considerable refund had to be made to his widow under Section 33 of the Act. In the opinion of the Financial Commissioner, Mr. Parker expected somewhat too much. The chief city, Lahore itself, is not, in proportion to its population, so wealthy or so important commercially as Amritsar or Delhi; and Mr. Elsmie doubts whether a much greater income can be properly obtained from this district. He bases this view, I am to say, partly on his own experience as Commissioner when many income tax appeals from Lahore came before him. During the current year, it will be seen, an increased revenue is expected. Two hundred and forty petitions under Chapter IV were filed, of which the Deputy Commissioner heard 55. Remissions amounted to Rs. 1,629, 136 petitions being rejected. There were 23 appeals and Rs. 112 was remitted by the Commissioner. In addition to this, Rs. 1,001 was remitted and refunded under Section 33.

Very few penalties were levied and the balance of Rs. 273 has been since 1st April nearly all collected.

Mr. Parker's estimate for town and rural incidence *per mille* was Rs. 200 to Rs. 225 and Rs. 18, respectively. The actual incidence is for the seven towns Rs. 168, and for the rural tracts Rs. 22.

38.

Amritsar District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
1886-87	Rs. 47,973	Rs. 50,000	Actual.
1887-88	46,885		Ditto.
1888-89	51,928		Ditto.
1889-90	53,000		Probable.

The state of the Income Tax administration in this district appears to the Financial Commissioner to be decidedly satisfactory. In 1887-88 the initial demand under Part IV was Rs. 49,848, and the final demand Rs. 46,858 or Rs. 2,990 less. In 1888-89 the initial and final demands under Part IV were Rs. 51,813 and Rs. 49,875, respectively, showing a remission on objection and appeal of only Rs. 1,938, which is a low figure considering the increased demand. The Deputy Commissioner heard 184 out of the 369 objections made, 252 were rejected, 74 accepted in part, and 43 in whole. All the appeals, 21 in number, were rejected. Collections were made without much trouble, and the Rs. 133 remaining uncollected on 31st March 1889 has since been realized in full. Penalties, which in the preceding year reached the large sum of Rs. 1,280, were levied in 1888-89 to the amount of Rs. 15 only.

The great increase in demand is due, the Deputy Commissioner says, to the advent of a large number of Patháns who came during 1888-89 to buy

pashmina, to the briskness of the grain trade, and to the increased attention paid, especially in Ajuála, to assessment work by the Tahsildár.

Mr. Parker thought the town incidence of this district should be Rs. 225 to Rs. 250, and the rural incidence Rs. 18 *per mille*. In 1888-89 the incidence in the five Municipal towns was Rs. 239 *per mille* and in the rest of the district Rs. 15.

39.

Gurdaspur District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	25,706	} 31,000	Actual.
1887-88	23,709		Ditto.
1888-89	26,919		Ditto.
1889-90	31,000		Probable.

The final demand was in 1888-89 still considerably below Mr. Parker's estimate, but a considerable advance has been made. The chief improvement has been under Part I. Mr. Parker in his notes on this district, last year, remarked that there were no proper arrangements for the assessment of incomes under Part I by the Deputy Commissioner, and the matter was brought prominently to Deputy Commissioner's notice. The result is that Rs. 2,280 was collected under Part I by the Deputy Commissioner instead of Rs. 785, the figure in 1887-88. Under Part III there was a collection of Rs. 729 on account of debentures recently issued. Under Part IV the revenue rose from Rs. 22,475 to Rs. 23,540.

The administration on the whole has not been successful. The assessment lists were prepared entirely by the Tahsildárs, and the additions to the lists are nearly all new items of taxation upon persons with small incomes. Objection petitions rose from 162 in 1887-88 to 307 in the year under report. The Deputy Commissioner heard only 41 cases, remitting Rs. 230. The total remissions, Rs. 2,085, amounted to 8 per cent. of the original demand under Part IV. On the whole 119 petitions were rejected, and the rest (61 per cent.) accepted wholly or in part. No penalties were exacted, but at the same time collection has not been very satisfactory. Of the balance unrecovered at the end of the year Rs. 370 is practically irrecoverable, and will probably be remitted under Section 33 of the Act; but the rest, Rs. 229, is genuine realizable balance, and it is not explained why it was left uncollected.

The estimate for the current year promises better results, but the recent difficulties which have occurred in the affairs of an important Company will doubtless tell materially the other way. Mr. Parker thought that town and rural incidence *per mille* in Gurdáspur should be Rs. 180 and Rs. 18, respectively. The towns are all small except Batála, and the incidence in them now is Rs. 161 *per mille*. The rural incidence is Rs. 17 *per mille*.

RAWALPINDI DIVISION.

40.

Sialkot District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	* 28,177	} 32,000	Actual.
1887-88	29,158		Ditto.
1888-89	32,529		Ditto.
1889-90	57,260		Probable.

* Part I for this year is blank. This is probably an error, but the matter is unimportant in the present connection.

The administration of the Act in Siálkot was not at all satisfactory either in 1886-87 or in 1887-88. With respect to the first of these years, I am to refer you to the remarks in para. 13 of the Report for that year. In the following year there was but little improvement, and the Commissioner of the Division (Colonel Parry Nisbet, C.I.E.) remarked upon the repetition under Colonel Roberts, Deputy Commissioner, of the same errors and omissions as had occurred in the previous year. Neither in the work of assessment nor in that of disposal of objections did the Deputy Commissioner do a reasonable share in 1886-87; he heard 30 cases out of 810 and in 1887-88, 10 cases out of 465. During those two years the town assessments were much below the mark, and the rural taxation was not too heavy.

During the past year, however, an improvement has taken place. Major Montgomery has given the whole question of assessment under Part IV his best attention. The final demand under Part IV was Rs. 31,443, as compared with Rs. 28,772, in the previous year. Remissions amounted to 7 per cent. of the original demand. The number of objections was 598, of which the Deputy Commissioner heard 392. There were 38 appeals to the Commissioner who remitted Rs. 213.

The figures for the current year show a remarkable advance. The Deputy Commissioner himself travelled about the district and did a good proportion of the assessments, raising the original demand under Part IV to Rs. 58,095 on 2,088 assessees. As was to be expected the number of objections already lodged is very high, 958, but the Deputy Commissioner in the first week of July was able to report that the remissions during the current year were not likely to be more than Rs. 2,000.

Mr. Parker put the fair rural and town incidence of Siálkot at Rs. 21 and Rs. 160 to Rs. 180, respectively. The actual figures for 1888-89 are Rs. 24 and Rs. 121. For the current year they will probably be Rs. 42 and Rs. 245.

The following passage from the district report shows how easily particular trades may be overlooked in assessing the tax:—

“ During the course of my inquiries I came across a particular trade which has heretofore almost entirely escaped taxation. Several men, mostly Kakazais of Siálkot, Paarúr, and Sambrial, and their vicinities, go regularly every year southwards with large sums of money borrowed from the bigger money-lenders. With this they purchase piece-goods, some in Bombay, some in Dehli, and sell it in the villages of the Southern Punjab and the North-Western Provinces. They go about in strong bodies, and usually give the cloth on credit, coming round at harvest time for the sums due to them. The sums as

realised are remitted at once by money orders and currency notes to their money-lenders in this district, who have originally advanced the loans. The Inspector of Post Offices informs me that 2 lakhs of rupees are remitted by money orders to the Post Office of Sambrial alone during the months of March, April and May, that is, at the time when the debts have been realised from the villages down country at the rabi harvest. The cloth traders return to their homes about June or July, and go south again in September or October. Most of them have built themselves substantial masonry houses in their villages, and have all the signs of opulence. But very few of them have heretofore paid any income tax. Many of the traders are Kakazais of Rangpura, a suburb of Siálkot, who once had a thriving trade in paper. The paper trade has declined, and they now make their money in this manner. Other tribes are beginning to send representatives, among others Kashmiris, Khattris and Aroras are in the trade. All are said to swagger a good deal when they get down country; the Muhammadans calling themselves Patháns, and the Hindús, Elchis. The trade will probably become overstocked in time, and the profits will then be smaller. At present they are considerable."

41.

Gujrat District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	16,032	16,500	Actual.
1887-88	16,789		Ditto.
1888-89	16,888		Ditto.
1889-90	17,450		Probable.

The initial demand in 1888-89 under Part IV. amounted to Rs. 18,965. This was reduced to Rs. 16,605 on revision by Collector, a loss of Rs. 2,360; and was further reduced to Rs. 16,510, a loss of Rs. 95, by the Commissioner on appeal. The remissions by Collector on 222 objections accepted amounted, therefore, to 12½ per cent. of the original demand, and the Commissioner attributes this to the small proportion of the objection work done by the Deputy Commissioner (Mr. Knox.) Out of 515 cases the Deputy Commissioner heard 165 and struck Rs. 646 off the demand. Naráin Das, Extra Assistant Commissioner, heard 50 cases, and remitted Rs. 190, while Allahdad Khan, Extra Assistant Commissioner, heard 300 petitions, and remitted Rs. 1,524. The fact that each of these officers found it necessary to remit pretty freely, combined with the circumstance that more than 43 per cent. of the assesseees lodged objections, seems to indicate an imperfect assessment. The lists were drawn up by the three Tahsildárs, and it is not even stated that the Deputy Commissioner checked them or in any way examined their contents. The Commissioner of the Division thinks there is great inequality in the assessment of different classes of the population. Further, penalties to the not inconsiderable amount of Rs. 209 were exacted during the year. Part of the balance outstanding is nominal. On the whole, the administration of the tax is not very successful in this district; and the Financial Commissioner has found it necessary to issue instructions to the Deputy Commissioner.

Mr. Parker thought the rural and town incidence should be Rs. 19 and Rs. 120, respectively. In 1888-89 the town incidence was Rs. 98, which is less than in the previous year; and the rural Rs. 20 nearly. It seems to the Financial Commissioner very likely that the urban populations are not sufficiently taxed.

Gujranwala District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	16,553	} 17,000	Actual.
1887-88	16,933		Ditto.
1888-89	17,476		Ditto.
1889-90	17,800		Probable.

The initial demand under Part IV being Rs. 19,079, 373 objections were preferred; that is to say, more than 30 per cent. of the assesses objected. The remissions by the Collector amounted to Rs. 2,008, * 116 objections being accepted in full and 53 in part, while the 8 appeals to the Commissioner were all rejected. The Deputy Commissioner heard 161 objections himself. Though the demand has reached Mr. Parker's estimate, Mr. Elsmie is not satisfied that the richer portion of the community is properly assessed as long as only 40 persons pay tax on annual incomes of over Rs. 2,000. The assessment lists of the current year were in the Financial Commissioner's opinion published too hastily after receipt from Tahsildárs, and the Deputy Commissioner has been asked to consider the propriety of issuing supplementary lists, *vide* ruling No. 96, page 144, Punjab Income Tax Manual. No penalties were levied, and the small outstanding balances Rs. 70, on account of 1887-88, and Rs. 25 on account of 1888-89 are in train of liquidation.

The urban population,—in the towns of Gujranwála and Wazirabad—paid Rs. 5,216 in the year under report, that is, Rs. 137 *per mille*. The rural tracts paid Rs. 20 *per mille*. These figures are above Mr. Parker's estimates of Rs. 120, and Rs. 17 *per mille*; and Mr. Elsmie is disposed to agree with him that what is chiefly required in this district is not increased assessments but a fairer distribution of the demand.

Shahpur District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	15,301	} 12,500	Actual.
1887-88	14,802		Ditto.
1888-89	12,008		Ditto.
1889-90	14,000		Probable.

* Or 10½ per cent. Remissions have always been high in Gujranwála, a sign of imperfect assessment: in 1886-87, 12½ per cent., in 1887-88, 9½ per cent.

The report for this district, submitted by the Deputy Commissioner, Mr. J. Wilson, C. S., is a very good one. It will be seen that Mr. Parker, at the time of writing his Final Report, was not satisfied that less than Rs. 15,000 could be taken as a fair final demand for Shahpur. The Deputy Commissioner and Commissioner were unable to agree in this view, and Mr. Parker eventually came to the conclusion that the local estimate of Rs. 12,500 was more correct than his own. On the whole Mr. Elsmie is disposed to accept the estimate of Mr. Wilson, the present Deputy Commissioner, and to take Rs. 13,500 to 14,000 as a fair final demand *in good times*. The district is now prosperous, but was not so during the years 1886-87 and 1887-88; and this accounts for Mr. O'Dwyer, Assistant Commissioner, in charge of income tax, being able to add for the current year 149 new assesses at Rs. 1,632, and to increase 215 assessments by the amount of Rs. 1,919.

There were 208 objections in the year under report, of which the Deputy Commissioner heard 43. The remissions amounted only to 5 per cent. of the initial demand, whereas in the two preceding years the percentages were 20.9 and 22.6, respectively. Collections were easily made and no balances were outstanding at the end of the year.

It may be well to note here the reasons assigned by the Deputy Commissioner for the falling off in demand as compared with 1886-87, and in 1887-88. First, in 1886-87, Rs 2,000, and in 1887-88, Rs. 1,844 were the realizations from contractors on the Sind-Sagar Railway. In 1888-89 this source of revenue came to end. Secondly, the district has suffered from a succession of bad harvests and the profits of money-lending and trade have diminished in consequence.

44.

Jhelum District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.	REMARKS.
	Rs.	Rs.	
1886-87	17,807	18,000	Actual.
1887-88	18,278		Ditto.
1888-89	19,070		Ditto.
1889-90	21,700		Probable.

The revenue in this district seems to be rising steadily, but the assessment work does not appear to have been very well done for 1888-89. In 1887-88 the initial demand under Part IV was Rs. 19,786 and the final demand Rs. 17,412. In 1888-89 the figures were Rs. 21,842 and Rs. 18,729, respectively. Remissions by Collector amounted to Rs. 3,046 in all, but of this sum Rs. 288 was transferred to other districts. It is not said that undue leniency was shown in granting remissions; and the cause of the large figure of reduction by Collector appears to be the imperfection of the original assessments of the year. The Deputy Commissioner heard only 83 objections out of 494, and in the Financial Commissioner's opinion he should have heard more than this. Of the 494 objections, the total number of assesses being 1,143 only, 188 were accepted in whole or part.

Increased demand is found chiefly in the Jhelum and Chakwál Tahsils, while Pind Dádan Khan shews a large falling off owing to the completion of the railway works.

Mr. Parker's estimate for the town and rural incidence was Rs. 120 and Rs. 21, respectively. In 1888-89, the figures were Rs. 111 and Rs. 24 *per mille*. In the detail of the towns and their taxation remarkable inequalities exist which are not properly accounted for; and the Commissioner has drawn the attention of the Deputy Commissioner to the point.

45.

Rawalpindi District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	39,900	} 40,000	Actual.
1887-88	35,906		Ditto.
1888-89	36,348		Ditto.
1889-90	42,000		Probable.

This district is not very satisfactory. As in the case of Gujrát and Gujránwála, remissions under Part IV have been uniformly high,* shewing want of care in assessment work. An improvement has occurred in this respect, but apparently this is chiefly the result of fixing a very much lower initial demand under Part IV, than that of 1887-88, Rs. 33,735, as against Rs. 39,728. Improvement may, however, be hoped for. The Commissioner attributes the bad work hitherto to the notorious incompetency of some of the Tahsildárs, and he is of opinion, probably justly, that the Sadr and Cantonment assessments are high enough, and the taxation of the rest of the district low and not well distributed. There seems, no doubt, too, that the frequent changes of Deputy Commissioners and Revenue Officers in this district have militated against good administration.

Out of 1,557 assesseees under Part IV, no less than 652 objected, and of these about 450 were assesseees of the two lowest grades. From the Ráwalpindi and Fatehjang Tahsils came 224 petitions, all heard by the Deputy Commissioner (Mr. Meredith) who remitted Rs. 1,146. In Murree Mr. Williams, Assistant Commissioner, heard 18 cases, remitting Rs. 338, which shews a high rate of remission. The Cantonment Magistrate of Ráwalpindi dealt with 35 petitions, and remitted Rs. 112. The Attock and Pindigheb cases, 175 in number, were heard by the Extra Assistant Commissioner in charge, who struck off Rs. 784; and the Gujar Khan and Kahuta Tahsíl cases were disposed of by another Extra Assistant Commissioner, who remitted Rs. 521 on 200 petitions. It will be seen that the average remission per objection is not high except in Murree, and Mr. Elsmie thinks the assessments must have been faulty. Appeals to the Commissioner were not numerous: 4 were accepted, Rs. 59 being remitted. Penalties were higher than in most districts, and there was an unrealized balance of ordinary demand of Rs. 212, of which, however, Rs. 25 has since been recovered.

Rural incidence is Rs. 28 *per mille* as against Mr. Parker's estimate of Rs. 18 and town incidence Rs. 232, Mr. Parker's estimate being Rs. 260.

*1886-87, 20 per cent. of initial demand under Part IV; 1887-88, 21½ per cent.; 1888-89 nearly 9 per cent.

PESHAWAR DIVISION.

46.

Hazara District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	4,995	} 6,000	Actual.
1887-88	5,685		Ditto.
1888-89	7,540		Ditto.
1889-90	8,074		Probable.

In this district the income tax work is light. It was, however, well done. The initial demand was Rs. 7,826 under Part IV, and the remissions on 156 objections, all heard by the Deputy Commissioner, amounted only to Rs. 413, or $5\frac{1}{3}$ per cent. of the demand. [In 1887-88 remissions amounted to Rs. 393.] 39 objections were successful in whole or in part. There were no appeals to the Commissioner, no penalties exacted, and no balances. The initial assessment for 1889-80 under Part IV is Rs. 8,394.

The so-called towns in Hazara are mere collections of agricultural villages. Mr. Parker estimated town incidence of 1887-88 at Rs. 79, and said it should have been Rs. 100. He was content with a rural incidence of Rs. 11. The present figures are—town, Rs. 121; rural tracts Rs. 17 *per mille*.

47.

Peshawar District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	20,400	} 30,000	Actual.
1887-88	21,937		Ditto.
1888-89	22,114		Ditto.
1889-90	26,340		Probable.

This district in comparison with the average Cis-Indus Districts would appear to be under-assessed. It is said by the Commissioner that the small increase, in 1888-89, is not due to any want of attention on the part of the Deputy Commissioner. The total number of objections was 621 and of appeals 11. Of the objections 280 were accepted in whole or in part. The Deputy Commissioner, Mr. Merk, heard only 56 cases: the Financial Commissioner supposes that in such a district as Peshawar it is not possible for the Deputy Commissioner to take a large part in this work. The Assistant Commissioner of Mardán heard 218 objections, and Mr. Smith, Assistant Commissioner at the Sadar, heard 222. The remissions on objection amounted to Rs. 6,427, which seems to Mr. Elsmie a very high figure, being 22.7 per cent. of the initial demand under Part IV. It is not quite clear whether this is the result of careless assessment, or of undue leniency in granting remissions. In June 1888 Mr. Parker visited the district. He found that 1,174 persons had been assessed to the amount of Rs. 23,134. In accordance with his advice, supplementary lists were issued, involving 187 assesseees and raising the demand by Rs. 5,189.

It seems not improbable that these additional lists were hastily drawn up and included persons not fairly taxable; but the Financial Commissioner is inclined to think that even so remissions were made too freely.

The balance uncollected at the end of the year consisted of Rs. 253 on account of 1887-88, which is really irrecoverable, and of Rs. 472 on account of 1888-89, which is being collected; Rs. 372 being still outstanding when the district report was written.

The town incidence is Rs. 177 *per mille*, Mr. Parker's estimate being Rs. 180, and this shows a large advance on the figure for 1887-88. The rural incidence is between Rs. 2 and Rs. 3 which seems very low. Mr. Parker's estimate was Rs. 11.

48.

Kohat District.

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.		REMARKS.
		Rs.	Rs.	
1886-87	1,412	}	4,500	Actual.
1887-88	1,734			Ditto.
1888-89	1,935			Ditto.
1889-90	2,200			Probable.

This district can never be an important contributor to the income tax revenue. In para. 80 of the Report for 1887-88, Kohat was said to be one of the districts in which the condition of affairs was still unsatisfactory. There was some improvement in the year under report, and though the rural tracts are still insufficiently taxed, the towns have probably reached a fair assessment. Mr. Parker thought Rs. 136* *per mille* good for the towns, and considered Rs. 7 or 8 a fair incidence per thousand of the rural population. The present town and rural incidences are Rs. 140 and Rs. 5, respectively.

A bad feature in the administration during 1886-87 and 1887-88 was the high percentage of remissions, in the former year 45½ per cent. and in the latter 18½ per cent. In this respect things were better in 1888-89. The Deputy Commissioner heard 28 out of 36 objections, whereas in 1887-88 he heard none and the remissions amounted to Rs. 200 only. There were no appeals. Of the remissions Rs. 160 was on account of the Hangu Tahsil alone, where the Tahsildar raised the assessment from Rs. 30 (in 1887-88) to Rs. 250 without due care.

49.

DERAJAT DIVISION.**Bannu District.**

YEARS.	Final demand.	Final demand as it should be according to Mr. Parker.		REMARKS.
		Rs.	Rs.	
1886-87	5,358	}	6,500	Actual.
1887-88	5,995			Ditto.
1888-89	6,476			Ditto.
1889-90	7,409			Probable.

* Mr. Parker calculated the incidence in 1887-88 as Rs. 136; but the urban population being 8,465, and the yield Rs. 1,112, the incidence was really Rs. 131.

The tax has been well administered in this district. The initial demand under Part IV was Rs. 6,375, which was reduced by Rs. 247 only on objection and appeal. Though the initial demand was thus Rs. 589 over the final demand of the previous year (Rs. 5,786), objections were not numerous. The Deputy Commissioner disposed of a fair number of the 90 objections filed. There was no difficulty in collection. Mr. Parker considered the town incidence in 1887-88 good, namely, Rs. 133 *per mille*. The rural incidence, Rs. 7-12-0, he thought slightly low. The figures now are Rs. 487 and Rs. 13, respectively.

50.

Dera Ismail Khan District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	11,852	13,000	Actual.
1887-88	12,217		Ditto.
1888-89	14,294		Ditto.
1889-90	13,600		Probable.

A considerable advance has been made in this district in the matter of assessments. Under Part IV the two last years may be compared as follows :—

YEAR.	Initial demand.	Final demand.	Remissions.
	Rs.	Rs.	Rs.
1887-88	12,933	11,961	972
1888-89	15,438	13,863	1,575

It will be seen that the amount of remissions has considerably increased, but Mr. Elsmie, concurring with the Commissioner, is of opinion that in the face of the large increase in initial demand, the amount remitted is not excessive. Three hundred and thirty-five objections were filed, the number of assesses under Part IV being 896. The Deputy Commissioner disposed of 130 of these. There were no unrealized balances and no penalties were levied; and on the whole the Financial Commissioner thinks the administration satisfactory.

The urban population, nearly 19,000, paid Rs. 3,800 last year, or about Rs. 200 *per mille*, which is far above Mr. Parker's estimate of Rs. 120. The rural incidence is Rs. 25, also above Mr. Parker's estimate of Rs. 17-8-0. The district as a whole is now probably fully assessed.

51.

Dera Ghazi Khan District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	10,298	} 10,000	Actual.
1887-88	10,151		Ditto.
1888-89	12,622		Ditto.
1889-90	13,000		Probable.

The initial demand was largely increased, from Rs. 10,407 under Part IV in 1887-88 to Rs. 16,729, in the year under report; but, while in the former year remissions amounted to Rs. 484 only, in the latter they amounted to Rs. 4,332 or 26 per cent. of the demand, showing that there was probably a want of judgment in the new assessments. This want of judgment is most apparent in the Sadar Tahsil where Rs. 4,002 was remitted.

Out of 586 objections lodged, or excluding the Rájampur objections heard by the outpost officer, out of 563, the Deputy Commissioner heard only 98, which appears to Mr. Elsmie manifestly inadequate. Of the objections 351 (or 60 per cent.) were wholly accepted, 70 (or 12 per cent.) accepted in part, and the rest rejected.

Mr. Elsmie agrees with the Commissioner that probably a full assessment has now been reached. The town and rural incidences, estimated by Mr. Parker at Rs. 115 and Rs. 17 to 18, respectively, are now Rs. 180 and Rs. 22.

Muzaffargarh District.

YEARS.	Final demand.	Final demand as it should be accord- ing to Mr. Parker.	REMARKS.
		Rs.	
1886-87	16,286	} 10,000	Actual.
1887-88	16,278		Ditto.
1888-89	16,202		Ditto.
1889-90	16,300		Probable.

Mr. Parker thought this district over-assessed. He held that the rural incidence of 1887-88, Rs. 30-6-0, was too high, and that the town incidence (Rs. 297) was Rs. 97 above the mark. The present figure for rural incidence *per mille* is Rs. 48, and there is no town of even 4,000 inhabitants in the district. The demand is nearly stationary. The fact appears to be that the district is fully assessed; but the proceedings of 1888-89 do not point to such a degree of over-assessment as Mr. Parker's estimate would seem to imply. For instance, objections numbered 201 in 1887-88 and 153 in 1888-89. The assesseees numbered, under Part IV, 987 and 986 in these two years. Only Rs. 304 was remitted in 1887-88, and only Rs. 104 in 1888-89. In the former year there were three appeals to the Commissioner, and in the latter there was one: all were rejected. In neither year were penalties heavy, and in neither year was there an unrecovered balance on March 31st. These facts tend to show that Rs. 16,000, rather than Rs. 10,000, is a fair demand for this district.

I have the honor to be,

Sir,

Your most obedient Servant,

D. C. JOHNSTONE

RETURN No. I.

(RULES 8 AND 20).

Statement showing the Collections of the Tax, under Act II of 1886, from Salaries, Pensions, Annuities and Gratuities paid by Government in the Year 1888-89.

1	2			3	4	5	6	7	8	9	10
Class.	INCOME.			PAID BY THE GOVERNMENT.							
				Salaries.		Pensions and annuities.		Gratuities.		Total.	
				No. of asses-sees.	Amount of tax.	No. of asses-sees.	Amount of tax.	No. of asses-sees.	Amount of tax.	No. of asses-sees.	Amount of tax.
					Rs.		Rs.		Rs.		Rs.
I	Rs. 500 but less than Rs. 750 ...	1,269	16,206	134	1,886	...	...	1,403	18,092
II	" 750 " " 1,000 ...	511	9,249	78	1,520	...	...	589	10,769
III	" 1,000 " " 1,250 ...	213	5,123	83	2,306	...	...	296	7,429
IV	" 1,250 " " 1,500 ...	124	3,434	26	648	...	...	150	4,082
V	" 1,500 " " 1,750 ...	84	2,003	20	611	1	2	105	2,616		
VI	" 1,750 " " 2,000 ...	205	7,572	18	768	...	...	223	8,340
	Total I to VI ...	2,406	43,587	359	7,739	1	2	2,766	51,328		
VII	Rs. 2,000 but less than Rs. 2,500 ...	251	13,228	54	2,592	...	...	305	15,820
VIII	" 2,500 " " 5,000 ...	314	24,521	54	4,711	1	7	369	29,239		
IX	" 5,000 " " 10,000 ...	267	45,251	21	2,461	1	11	289	47,723		
X	" 10,000 " " 20,000 ...	128	36,865	11	3,133	...	...	139	39,998
XI	" 20,000 " " 30,000 ...	52	22,215	1	629	...	...	53	22,844
XII	" 30,000 " " 40,000 ...	15	7,884	1	1,172	...	...	16	9,056
XIII	" 40,000 " " 50,000 ...	7	6,031	...	...	...	...	7	6,031
XIV	" 50,000 " " 1,00,000 ...	2	2,383	...	...	...	...	2	2,383
XV	" 1,00,000 and more ...	...	...	...	...	...	...	...	...
	Total VII to XV ...	1,036	1,58,378	142	14,698	2	18	1,180	1,73,094		
	GRAND TOTAL ...	3,442	2,01,965	501	22,437	3	20	3,946	2,24,422		

RETURN No. II.

(RULES 14 AND 20).

Statement showing the Collections of the Tax under Act II of 1886 from Interest on Securities in the Year 1888-89.

1	2	3	4	5	6	7	8	9	10
CLASS.	RATE OF TAX.	SECURITIES OF THE GOVERNMENT OF INDIA.		BONDS OR DEBENTURES CHARGED BY PARLIAMENT ON REVENUES OF INDIA.		SECURITIES OF LOCAL AUTHORITIES OR COMPANY.		TOTAL.	
		Amount of securities.	Amount of tax.	Amount of securities.	Amount of tax.	Amount of securities.	Amount of tax.	Amount of securities.	Amount of tax.
			Rs.		Rs.		Rs.		Rs.
I to VI	At 4 pies in the rupee ...	Rs. 60,400	Rs. 49	...	...	...	...	Rs. 60,400	Rs. 49
VII to XV	At 5 pies in the rupee ...	2,51,73,058	15,063	...	...	1,51,000	*845	2,53,24,058	15,908
	TOTAL ...	2,52,33,458	15,112	...	...	1,51,000	845	2,53,84,458	15,957

* Vide Return No. III, column 13.

RETURN

(RULE

Abstract Statement showing the Collection of the Tax

1	2		3	4	5	6	7 8 9 10				11 12	
							SALARIES, &c., PAID BY COMPANIES, PUBLIC BODIES, ASSOCIATIONS AND PRIVATE EMPLOYERS.				Profits of Companies.	
							Tax levied under					
							Sec. 9 (1).		Sec. 9 (2).			
CLASS.	AMOUNT OF INCOME.		Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.
	Rs.	Rs.										
I	500	but less than 750	1,403	18,092	344	3,588	193	1,678	93	777	2	28
II	750	" "	589	10,760	95	1,439	56	857	37	613	1	15
III	1,000	" "	296	7,429	72	1,600	62	1,368	29	618	...	...
IV	1,250	" "	150	4,082	24	472	18	476	27	724	...	...
V	1,500	" "	105	2,616	15	432	16	443	11	376	1	41
VI	1,750	" "	223	8,340	38	1,220	26	679	10	432	...	...
Total of classes I to VI ...			2,766	51,328	588	8,751	371	5,501	207	3,540	4	84
VII	2,000	but less than 2,500	305	15,820	30	1,255	43	1,958	15	650	2	114
VIII	2,500	" "	369	29,239	29	2,061	48	3,867	30	2,651	3	261
IX	5,000	" "	289	47,723	6	793	9	1,478	17	2,564	1	130
X	10,000	" "	139	39,998	...	...	...	...	2	519	1	449
XI	20,000	" "	53	22,844	...	...	1	703	...	...	...	...
XII	30,000	" "	16	9,056	...	...	...	...	1	671	...	...
XIII	40,000	" "	7	6,031	...	...	...	...	...	...	...	...
XIV	50,000	" "	2	2,383	...	...	1	1,563	...	...	1	2,188
XV	1,00,000	and more	...	...	...	...	...	...	...	...	3	8,463
Total of classes VII to XV ...			1,180	1,73,094	65	4,109	102	9,569	65	7,055	11	11,605
GRAND TOTAL ...			3,946	2,24,422	653	12,860	473	15,070	272	10,595	15	11,689

under Act II. of 1886 in the year 1888-89.

13	14	15	16	17	18	19	20	21	22	23
Interest on securities.	Other sources of Income.		Total Collection of tax.		Penalties by Collector.	Fines by Magistrate.	Total of columns 17, 18 and 19.	Refunds.	Net collections.	REMARKS.
Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.						
Rs.		Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	20,326	2,03,302	22,361	2,27,465	825	...	2,28,290	4,883	2,23,407	
	6,154	92,152	6,932	1,05,845	334	...	1,06,179	1,309	1,04,870	
	2,999	59,877	3,458	70,892	196	...	71,088	1,174	69,914	
(a) 49	2,420	67,426	2,639	73,180	77	...	73,257	1,246	72,011	
	1,448	50,471	1,596	54,379	86	...	54,465	695	53,770	
	959	40,069	1,256	50,740 49	40	...	50,780 49	916	49,864 49	
49	34,306	5,13,297	38,242	5,82,550	1,558	...	5,84,108	10,223	5,73,885	
116	790	42,810	1,185	62,723	29	...	62,752	927	61,825	
	1,156	97,567	1,635	1,35,646	115	...	1,35,761	1,922	1,33,839	
	374	61,332	696	1,14,020	38	...	1,14,058	1,495	1,12,563	
729	85	27,777	227	69,472	...	...	69,472	672	68,800	
*15,063	17	10,254	71	33,801	...	...	33,801	...	33,801	
	7	5,150	24	14,877	...	...	14,877	201	14,676	
	4	4,516	11	10,547	...	...	10,547	1,001	9,546	
	3	4,553	7	10,687	...	...	10,687	1,198	9,489	
	...	...	3	8,463 15,063	...	...	8,463 15,063	...	8,463 15,063	(a) Judging by the Accountant-General's notes on copies of District Return III sent to him, this figure should differ from Accountant-General's figures by Rs. 12 only.
15,908	2,436	2,53,959	3,859	4,75,299	182	...	4,75,481	7,416	4,68,065	
15,957	36,742	7,67,256	42,101	10,57,849	1,740	...	(a) 10,59,589	17,639	10,41,950	

Balances of amounts due under Act II of 1886, in the year 1888-89.

13	14	15	16	17	18	19	20	21	22	23
Number.	Amount.	Amount.	Total of columns 10, 12, 14 and 15.	Tax.	Penalties.	Fines.	Arrears.	Total.	Balance.	REMARKS.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Part I, Schedule II.										
...	356	356	...	...	...	356	...	
...	154	154	...	...	...	154	...	
...	304	300	...	...	4	304	...	
...	...	10	3,520	3,500	...	...	10	3,510	10	
...	525	525	...	...	...	525	...	
...	...	96	1,256	1,089	...	...	95	1,184	72	
...	...	31	a 6,739	6,643	8	...	10	6,661	57	
...	...	137	12,854	12,567	8	...	119	12,694	139	
...	...	151	1,568	1,373	5	...	151	1,529	39	
...	473	473	...	...	...	473	...	
...	...	47	2,552	2,505	...	...	47	2,552	...	
...	442	442	...	...	...	442	...	
...	...	172	1,339	1,167	...	...	172	1,339	...	
...	...	370	6,374	5,960	5	...	370	6,335	39	
...	540	540	...	...	...	540	...	
...	250	250	...	...	...	250	...	
...	65	65	...	...	...	65	...	
...	6,897	6,897	...	...	...	6,897	...	
...	2,053	2,053	...	...	...	2,053	...	
...	2,280	2,280	...	...	...	2,280	...	
...	12,085	12,085	...	...	...	12,085	...	
...	1,084	1,084	...	...	...	1,084	...	
...	378	378	...	...	...	378	...	
...	405	405	...	...	...	405	...	
...	278	278	...	...	...	278	...	
...	341	341	...	...	...	341	...	
...	3,573	3,573	...	...	...	3,573	...	
...	6,059	6,059	...	...	...	6,059	...	
...	127	127	...	...	...	127	...	
...	232	232	...	...	...	232	...	
...	224	224	...	...	...	224	...	
...	583	583	...	...	...	583	...	
...	347	347	...	...	...	347	...	
...	431	431	...	...	...	431	...	
...	225	225	...	...	...	225	...	
...	189	189	...	...	...	189	...	
...	1,192	1,192	...	...	...	1,192	...	

1	2	3	4	5	6	7	8	9	10	11	12
DIVISION.	DISTRICT.	Original demand.		Revision by Collector.		Revision by Commissioner.		Final demand.		Penalties by Collector.	
		Number of assesses.	Amount of tax.	Number of petitions or objections.	Demand after disposal.	Number of petitions or objections.	Demand after disposal.	Number of assesses.	Amount of tax.	Number.	Amount.
			Rs.		Rs.		Rs.		Rs.		Rs.
DELHI.	Hissár ... ..	...	...	...	...	...	...	...	...	...	...
	Rohtak ... ..	...	...	...	...	...	...	...	...	...	...
	Gurgaon ... ..	...	...	...	...	...	...	...	...	...	...
	Delhi ... ..	...	...	...	...	...	...	...	...	...	...
	Karnal ... ..	...	...	...	...	...	...	...	...	...	...
	Umballa ... ..	...	...	...	...	...	...	...	...	...	...
Simla ... ..	...	...	116	...	116	...	116	...	116	...	...
	* Total for Division ...	...	116	...	116	...	116	...	116	...	...
JULLUNDUR.	Kángra ... ..	...	...	...	...	...	...	...	...	...	...
	Hoshiárpur ... ..	...	...	...	...	...	...	...	...	...	...
	Jullundur ... ..	...	...	...	...	...	...	...	...	...	...
	Ludhiána ... ..	...	...	...	...	...	...	...	...	...	...
	Ferozepore ... ..	...	...	...	...	...	...	...	...	...	...
	Total for Division ...	...	...	...	...	...	...	...	...	...	...
LAHORE.	Mooltan ... ..	...	...	...	...	...	...	...	...	...	...
	Jhang ... ..	...	...	...	...	...	...	...	...	...	...
	Montgomery ... ..	...	...	...	...	...	...	...	...	...	...
	Lahore ... ..	...	...	...	...	...	...	...	...	...	...
	Amritsar ... ..	...	...	...	...	...	...	...	...	...	...
Gurdáspur ... ..	...	...	729	...	729	...	729	...	729	...	...
	Total for Division ...	...	729	...	729	...	729	...	729	...	...
RAWALPINDI.	Siálkot ... ..	...	...	...	...	...	...	...	...	...	...
	Gujrát ... ..	...	...	...	...	...	...	...	...	...	...
	Gujránwála ... ..	...	...	...	...	...	...	...	...	...	...
	Shahpur ... ..	...	...	...	...	...	...	...	...	...	...
	Jhelum ... ..	...	...	...	...	...	...	...	...	...	...
Ráwalpindi ... ..	...	...	...	...	...	...	...	...	...	...
	Total for Division ...	...	...	...	...	...	...	...	...	...	...
PESHAWAR.	Hazára ... ..	...	...	...	...	...	...	...	...	...	...
	Pesháwar ... ..	...	...	...	...	...	...	...	...	...	...
	Kohát ... ..	...	...	...	...	...	...	...	...	...	...
	Total for Division ...	...	...	...	...	...	...	...	...	...	...
DERAJAT.	Bannu ... ..	...	...	...	...	...	...	...	...	...	...
	Dera Ismail Khan ... ..	...	...	...	...	...	...	...	...	...	...
	Dera Gházi Khan ... ..	...	...	...	...	...	...	...	...	...	...
	Musaffargarh... ..	...	...	...	...	...	...	...	...	...	...
	Total for Division ...	...	...	...	...	...	...	...	...	...	...

Chapter III C. and

1	2	3	4	5	6	7	8	9	10	11 12	
										Number of assesses.	Amount of tax.	Number of petitions or objections.	Demand after disposal.	Number of assesses.	Amount of tax.	Number.	Amount.
DIVISION.	DISTRICT.	Original demand.		Revision by Collector.		Revision by Commissioner.		Final demand.		Penalties by Collector.	
		Number of assesses.	Amount of tax.	Number of petitions or objections.	Demand after disposal.	Number of petitions or objections.	Demand after disposal.	Number of assesses.	Amount of tax.	Number.	Amount.
			Rs.		Rs.		Rs.		Rs.		Rs.
Chapter III D. and											
DELHI.	Hissár	1,241	28,065	63	27,063	...	27,063	1,216	27,063	...	...
	Rohtak	1,319	31,363	384	26,114	2	26,114	1,217	26,114	1	3
	Gurgáon	969	17,268	218	16,641	6	16,641	951	16,641	7	2
	Delhi	2,946	84,122	798	77,457	9	77,457	2,676	77,457	125	196
	Karnál	1,766	29,106	458	28,001	2	28,001	1,708	28,001	86	171
	Umballa	2,822	69,010	754	68,405	2	68,405	2,720	68,405	...	...
	Simla	563	21,048	198	18,609	27	18,333	467	18,333	...	...
Total for Division ...	11,626	2,80,882	2,873	2,62,290	48	2,62,014	10,955	2,62,014	219	372	
JULLUNDUR.	Kángra	565	8,298	63	8,077	8	8,067	545	8,067	1	10
	Hoshiárpur	1,429	26,022	484	24,333	107	24,193	1,311	24,193	2	20
	Jullundur	1,151	21,780	248	21,075	21	20,988	1,116	20,988	2	13
	Ludhiána	1,430	26,675	459	24,359	22	24,327	1,306	24,327	...	...
	Ferozepore	1,576	39,773	492	35,828	68	35,618	1,452	35,618	39	338
	Total for Division ...	6,151	1,22,548	1,746	1,13,672	226	1,13,193	5,730	1,13,193	44	381
LAHORE.	Mooltan	1,594	30,433	364	29,613	2	29,613	1,566	29,613	...	...
	Jhang	1,091	19,550	442	19,374	22	19,212	1,075	19,212	61	440
	Montgomery	864	14,975	255	14,220	17	14,055	833	14,055	4	23
	Lahore	1,621	44,310	241	41,680	23	41,567	1,556	41,567	1	9
	Amritsar	2,112	51,813	369	49,875	21	49,875	2,045	49,875	2	15
	Gurdáspur	1,163	25,645	307	23,560	5	23,540	1,057	23,540	...	...
Total for Division ...	8,445	1,86,726	1,978	1,78,322	90	1,77,862	8,132	1,77,862	68	487	
RAWALPINDI.	Siálkot	1,798	33,851	598	31,658	38	31,445	1,698	31,445	5	65
	Gujrát	1,192	18,965	515	16,805	33	16,510	1,024	16,510	199	209
	Gujránwáh	1,101	19,079	373	17,071	8	17,071	985	17,071	...	...
	Shahpur	754	12,348	208	11,740	5	11,730	709	11,730	...	...
	Jhelum	1,143	21,842	494	18,796	22	18,729	1,035	18,729	1	5
	Ráwalpindi	1,577	33,735	652	30,646	22	30,587	1,422	30,587	56	189
Total for Division ...	7,565	1,39,820	2,840	1,26,516	128	1,26,072	6,873	1,26,072	261	468	
PESHAWAR.	Hazára	558	7,826	156	7,413	...	7,413	528	7,413	...	...
	Pesháwar	1,345	28,339	621	21,912	11	21,882	1,149	21,882	...	...
	Kohát	150	1,911	36	1,711	...	1,711	131	1,711	...	...
Total for Division ...	2,053	38,076	813	31,036	11	31,006	1,808	31,006	...	...
DERAJAT.	Banou	388	6,374	90	6,208	14	6,129	374	6,129	...	...
	Dera Ismáil Khan	896	15,438	335	13,990	31	13,863	791	13,863	...	...
	Dera Ghází Khan	1,136	16,729	586	12,568	33	12,397	848	12,397	...	...
	Mazaffargarh	971	16,117	153	16,013	1	16,013	968	16,013	1	5
	Total for Division ...	3,391	54,658	1,164	48,779	79	48,402	2,981	48,402	1	6

13	14	15	16	17	18	19	20	21	22	23	
Fines by Magistrate.		Arrears of previous years.	Total of columns 10, 12, 14 and 15.	Collections.					Total.	Balance.	REMARKS.
Number.	Amount.	Amount.		Tax.	Penalties.	Fines.	Arrears.				
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Part IV, Schedule II.											
...	...	27,063	27,063	...	...	...	...	27,063	...	
...	...	26,117	26,114	...	3	...	...	26,117	...	
...	20	16,663	16,641	...	2	...	20	16,663	...		
...	30	77,683	76,757	196	...	...	30	76,983	700	
...	20	28,192	27,991	166	...	...	20	28,177	15	
...	560	68,965	67,447	...	...	...	560	68,007	958	
...	389	18,722	17,416	...	...	...	389	17,805	934	a Rs. 17 are to be refunded.
...	1,019	2,63,405	2,59,429	367	...	...	1,019	2,60,815	2,607	
...	...	8,077	8,037	10	...	...	...	8,047	30	
...	...	24,213	24,193	20	...	...	...	24,213	...	
...	...	21,001	20,727	5	...	...	...	20,732	269	
...	...	24,327	24,327	...	...	...	...	24,327	...	
...	15	35,971	35,245	328	...	...	15	35,588	383	
...	15	1,13,589	1,12,529	363	...	...	15	1,12,907	682	
...	...	29,613	29,613	...	...	...	...	29,613	...	
...	...	19,652	19,199	420	...	...	...	19,619	33	
...	40	14,118	14,035	23	...	...	40	14,098	20	
...	300	42,876	41,294	9	...	...	300	41,603	273	
...	...	49,890	49,741	15	...	...	...	49,756	134	b Rs. 16 are to be refunded.
...	...	23,540	23,327	...	...	...	...	23,327	229	
...	340	1,78,689	1,77,209	467	...	...	340	1,78,016	689	
...	...	31,510	31,462	65	...	...	...	c 31,527	20	c Rs. 37 are to be refunded.
...	107	16,826	16,444	209	...	...	55	16,708	118	
...	325	d 17,896	17,066	...	...	...	102	17,168	95	d Rs. 153 are irrecoverable and Rs. 20 are to be refunded.
...	...	11,730	11,730	...	...	...	...	11,730	...	
...	...	18,734	18,729	5	...	...	...	18,734	...	
...	156	30,932	30,375	189	...	...	156	30,720	212	
...	588	1,27,128	1,25,806	468	...	...	313	1,26,587	445	
...	...	7,413	7,413	...	...	...	...	7,413	...	
...	717	22,599	21,450	...	...	...	464	e 21,914	725	e Rs. 40 are to be refunded.
...	...	1,711	1,691	...	...	...	...	1,691	20	
...	717	31,723	30,554	...	...	...	464	31,018	745	
...	...	6,129	6,257	...	...	...	...	f 6,257	1	f Rs. 129 are to be refunded.
...	...	13,863	13,863	...	...	...	...	13,863	...	
...	...	12,397	12,397	...	...	...	...	12,397	...	
...	...	16,018	16,013	5	...	...	...	16,018	...	
...	...	48,407	48,530	5	...	...	...	48,535	1	

1	2	3	4	5	6	7	8	9	10	11	12										
												<i>Original demand.</i>		<i>Revision by Collector.</i>		<i>Revision by Commissioner.</i>		<i>Final demand.</i>		<i>Penalties by Collector.</i>	
												<i>Number of assesses.</i>	<i>Amount of tax.</i>	<i>Number of petitions or objections.</i>	<i>Demand after disposal.</i>	<i>Number of petitions or objections.</i>	<i>Demand after disposal.</i>	<i>Number of assesses.</i>	<i>Amount of tax.</i>	<i>Number.</i>	<i>Amount.</i>
TOTAL OF PROVINCE.	DISTRICT.																				
			Rs.		Rs.		Rs.		Rs.		Rs.										
	Chapter III A. and Part I, Schedule II	1,518	38,644	4	38,627	...	38,627	1,518	38,627	5	13										
	Chapter III B. and Part II, Schedule II	15	11,844	1	11,844	..	11,844	15	11,844	...	...								
	Chapter III C. and Part III, Schedule II ... ..	...	845	...	845	...	845	...	845	...	...								
Chapter III D. and Part IV, Schedule II	39,231	8,22,710	11,414	7,60,615	582	7,58,549	36,479	7,58,549	598	1,718											
	GRAND TOTAL ...	40,764	8,74,043	11,419	8,11,931	582	8,09,865	38,012	8,09,865	598	1,72										

13	14	15	16	17	18	19	20	21	22	23	
Fines by Magistrates.			Total of columns 10, 12, 14 and 15.	Collections.					Total.	Balance.	REMARKS.
Number.	Amount.	Arrears of previous years.		Tax.	Penalties.	Fines.	Arrears.				
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
...	...	507	a 39,147	38,446	13	...	489	38,948	178	(a) Rs. 21 struck off as irrecoverable.	
...	...	467	12,311	11,222	...	...	467	11,689	622	
...	845	845	...	...	...	845	...		
...	...	2,979	7,62,941	67,54,057	1,670	...	2,151	67,57,878	5,169	(b) Rs. 259 to be refunded and Rs. 153, irrecoverable.	
...	...	3,653	8,15,244	8,04,570	1,686	...	3,107	8,09,360	5,969		
										<p>Note.—Col. 21 is thus reconciled with Col. 22, Return III. Rs. Col. 21 Return IV = 8,09,360</p> <p>Add.—Accountant-General's figures from Col. 4 and Col. 13, Ret. III 2,39,534</p> <p>Add.—Sums still to be refunded ... 458</p> <p>Add.—Sums paid in one district on account of another district ... 60</p> <p>Add.—Penalty ordered on account of 1887-88. 10</p> <p>Add.—Erroneous inclusion in III. 19</p> <p>Total ... 10,49,441 10,49,441</p> <p>Deduct.—Realized in 1887-88 for 1888-89. 208</p> <p>Paid in one district on account of another ... 80</p> <p>Erroneously included in IV. ... 13</p> <p>Refunds as account of 1887-88 included in Col. 21, Return III. ... 7,190</p> <p>Balance ... 7,401 10,41,950</p>	

1 Serial No.	2 SOURCES OF INCOME.	3		4		5		6		7		8	
		Class I, Rs. 500 to Rs. 750.		Class II, Rs. 750 to Rs. 1,000.		Class III, Rs. 1,000 to Rs. 1,250.							
		Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
	PART I.												
	(a) PAID BY GOVERNMENT.												
1	Salaries	1,269	16,206	511	9,249	213	5,123						
2	Pensions, &c.	134	1,886	78	1,520	83	2,306						
3	Gratuities ... ..	...	...	...	...	...	...
	Total (a)	1,403	18,092	589	10,769	296	7,429						
	(b) PAID BY LOCAL AUTHORITIES.												
4	Salaries	341	3,480	94	1,412	73	1,574						
5	Pensions, &c.	3	25	2	46	...	...				
6	Gratuities	1	7	...	...	...	...		
	Total (b)	345	3,512	96	1,458	73	1,574						
	(c) BY COMPANIES, &c.												
7	Managers, &c.	48	415	21	277	22	510						
8	Inspectors ... ..	...	...	...	...	...	...
9	Clerks	147	1,201	44	776	31	606						
10	Shopmen	17	178	12	150	7	130						
11	Others	84	717	17	266	32	615						
	Total (c)	296	2,511	94	1,469	92	1,951						
	Grand Total Part I	2,044	24,115	779	13,696	461	10,954						
	PART II.												
	COMPANIES.												
12	Banking ... ..	...	...	1	15	...	...				
13	Building ... ..	...	...	...	...	...	...
14	Cotton spinning, &c. ... ..	...	...	...	...	...	...
15	Gas ... ..	...	...	...	...	...	...
16	Hotel ... ..	...	...	...	...	...	...
17	Ice ... ..	...	...	...	...	...	...
18	Insurance Fire ... ..	...	...	...	...	...	...
19	Do. Life ... ..	...	...	...	...	...	...
20	Do. Marine ... ..	...	...	...	...	...	...
21	Land ... ..	...	...	...	...	...	...
22	Press ... ..	...	...	...	...	...	...
23	Railway ... ..	...	...	...	...	...	...
24	Shipping, &c. ... ..	...	...	...	...	...	...
25	Telegraph, Telephone ... ..	...	...	...	...	...	...
26	Trading	1	10	...	...	...	...		
27	Tramway ... ..	...	...	...	...	...	...
28	Miscellaneous ... ..	...	...	...	...	...	...
	Total Part II	1	10	1	15	...	...				
	PART IV.												
	(a) PROFESSIONS.												
29	Religion	88	867	14	210	2	40						
30	Education	1	10	...	...	...	...		
31	Fine Arts	17	170	6	90	2	40						
32	Barristers, &c.	15	150	19	285	22	440						
33	Other legal practitioners	139	1,390	40	600	24	480						
34	Medicine	90	884	29	435	10	181						
35	Engineering	1	10	1	15	...	...				
36	Other professions	98	972	26	379	9	180						
	Total (a)	440	4,453	135	2,014	60	1,361						

No. V.

was collected for the Year 1888-89 in the Punjab.

9	10	11	12	13	14	15	16	17	18	19	20
Class IV, Rs. 1,250 to Rs. 1,500.		Class V, Rs. 1,500 to Rs. 1,750.		Class VI, Rs. 1,750 to Rs. 2,000.		Total of Classes I to VI.		Class VII, Rs. 2,000 to Rs. 2,500.		Class VIII, Rs. 2,500 to Rs. 5,000.	
Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
124	8,434	84	2,003	205	7,572	2,406	43,587	251	13,228	314	24,521
26	648	20	611	18	768	359	7,739	54	2,592	54	4,711
...	...	1	2	...	...	1	2	...	...	1	7
150	4,082	105	2,616	223	8,340	2,766	51,328	305	15,820	369	29,239
24	467	14	401	37	1,130	583	8,464	31	1,248	29	2,018
...	...	...	...	...	...	5	71	1	21	...	...
...	...	...	...	...	...	1	7	...	...	...	...
24	467	14	401	37	1,130	589	8,542	32	1,269	29	2,018
2	31	7	190	7	226	107	1,649	21	1,087	26	2,388
...
18	510	12	393	8	308	260	3,884	11	494	23	1,909
4	103	2	59	4	81	46	701	14	509	9	720
21	552	7	208	18	534	179	2,892	12	472	20	1,359
45	1,196	28	850	37	1,149	592	9,126	58	2,553	78	6,376
219	5,745	147	3,867	297	10,619	3,947	68,996	395	19,642	476	37,633
...	...	...	...	...	...	1	15	...	...	...	...
...	...	...	...	...	...	...	...	1	54	2	167
...	...	...	...	...	...	...	...	1	60	1	94
...
...	...	...	...	...	...	1	10	...	...	...	...
...	...	1	41	...	...	1	41	...	...	...	...
...	...	1	41	...	...	3	66	2	114	3	261
10	280	...	...	3	126	117	1,523	2	105	2	204
...	...	...	...	...	...	1	10	...	...	...	...
...	...	1	35	...	...	26	335	...	...	...	...
11	308	15	525	12	504	94	2,212	28	1,515	60	5,515
12	336	10	350	6	252	231	3,408	5	282	18	1,688
7	196	1	35	4	168	141	1,809	4	176	8	613
...	...	1	4	...	...	3	29	...	...	...	...
7	196	5	175	...	...	145	1,902	3	120	2	83
47	1,316	33	1,124	25	1,050	758	11,318	42	2,198	90	8,103

Classified Statement of the Incomes on which the Tax

Serial No.	SOURCES OF INCOME.	21	22	23	24	25	26
		Class IX, Rs. 5,000 to Rs. 10,000.		Class X, Rs. 10,000 to Rs. 20,000.		Class XI, Rs. 20,000 to Rs. 30,000.	
		Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.
PART I.			Rs.		Rs.		Rs.
(a) PAID BY GOVERNMENT.							
1	Salaries	267	45,251	128	36,865	52	22,215
2	Pensions, &c.	21	2,461	11	3,133	1	629
3	Gratuities	1	11	...	...	...	...
	Total (a)	289	47,723	139	39,998	53	22,844
(b) PAID BY LOCAL AUTHORITIES.							
4	Salaries	6	793	...	...	...	...
5	Pensions, &c. ... ..	...	...	...	...	...	...
6	Gratuities ... ..	...	...	...	...	...	...
	Total (b)	6	793	...	...	...	...
(c) BY COMPANIES, &c.							
7	Managers, &c.	20	3,062	2	519	1	703
8	Inspectors ... ..	...	...	...	...	...	...
9	Clerks	5	839	...	...	...	...
10	Shopmen ... ..	...	...	...	...	...	...
11	Others	1	129	...	...	...	...
	Total (c)	26	4,030	2	519	1	703
	Grand Total Part I	321	52,546	141	40,517	54	23,547
PART II.							
COMPANIES.							
12	Banking ... ..	...	...	...	...	...	...
13	Building ... ..	...	...	...	...	...	...
14	Cotton spinning, &c.	1	130	...	...	...	...
15	Gas ... ..	...	...	...	...	...	...
16	Hotel ... ..	...	...	...	...	...	...
17	Ice ... ..	...	...	...	...	...	...
18	Insurance Fire ... ..	...	...	...	...	...	...
19	Do. Life ... ..	...	...	...	...	...	...
20	Do. Marine ... ..	...	...	...	...	...	...
21	Land ... ..	...	...	...	...	...	...
22	Press ... ..	...	...	...	...	...	...
23	Railway ... ..	...	...	...	...	...	...
24	Shipping, &c. ... ..	...	...	...	...	...	...
25	Telegraph, Telephone ... ..	...	...	...	...	...	...
26	Trading ... ..	...	...	...	...	...	...
27	Tramway ... ..	...	...	...	...	...	...
28	Miscellaneous ... ..	...	...	...	...	...	...
	Total Part II	1	130	...	...	...	...
PART IV.							
(a) PROFESSIONS.							
29	Religion	1	164	...	...	...	...
30	Education ... ..	...	...	...	...	...	...
31	Fine Arts ... ..	...	...	...	...	...	...
32	Barristers, &c. ... ..	...	...	...	...	...	...
33	Other legal practitioners	36	6,050	8	2,844	4	2,539
34	Medicine	7	1,085	...	...	...	...
35	Engineering	2	332	2	633	...	...
36	Other professions	1	250	...	...	...	...
	Total (a)	47	7,881	10	3,477	4	2,539

Classified Statement of the Incomes on which the Tax

1	2	3		4		5		6		7		8	
		Class I, Rs. 500 to Rs. 750.		Class II, Rs. 750 to Rs. 1,000.		Class III, Rs. 1,000 to Rs. 1,250.							
Serial No.	SOURCES OF INCOME.	Number of assesses.		Amount of tax.		Number of assesses.		Amount of tax.		Number of assesses.		Amount of tax.	
		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
(b) COMMERCE.													
37	Agents	116	1,160	60	900	37	740						
38	Brokers	277	2,770	91	1,355	58	1,145						
39	Contractors	166	1,660	45	675	36	700						
40	Bankers	2,173	21,720	754	11,310	302	6,040						
41	Money lending and changing	7,332	73,280	2,283	34,105	1,210	24,077						
42	General Merchants	280	2,800	97	1,445	76	1,520						
43	Piece-goods	1,088	10,830	364	5,435	175	3,480						
44	Grain	1,387	13,867	461	6,885	202	4,040						
45	Salt	20	200	10	150	4	80						
46	Other	472	4,720	152	2,275	60	1,200						
	Total (b)	13,311	1,33,007	4,317	64,535	2,160	43,022						
(c) TRANSPORT, &c.													
47	Cart and Carriage Builders	3	30										
48	Do. Owners	70	700	24	360	7	140						
49	Livery stable keepers	159	1,590	15	225	8	160						
50	Ship and boat owners	1	10										
51	Hotel and inn keepers	4	40	3	45	4	80						
	Total (c)	237	2,370	42	630	19	380						
(d) TRADE.													
52	Dealers in animals	105	1,050	16	240	3	60						
53	" agricultural produce	688	6,880	164	2,460	99	1,980						
54	" animal and vegetable substances (not food)	25	250	9	135	3	60						
55	" food	2,166	21,660	526	7,820	200	3,985						
56	" books and stationery	39	390	15	210	7	140						
57	" building materials	107	1,070	43	645	30	600						
58	" fuel	29	290	12	180	2	40						
59	" furniture	11	110	4	60	2	40						
60	" metals, &c.	112	1,120	37	555	11	220						
61	" precious stones, &c.	12	120	6	90	13	260						
62	" salt	18	180	5	75	5	100						
63	" spirits, &c.	47	470	13	195	2	40						
64	" opium	56	560	22	330	15	300						
65	" dress, &c.	19	190	4	60	1	20						
66	" other articles	1,542	15,383	408	6,050	134	2,645						
	Total (d)	4,976	49,723	1,284	19,105	527	10,490						
(e) MANUFACTURE.													
67	Cotton goods	32	320	4	60	6	120						
68	Builders	4	40										
69	Artizans	95	950	31	460	14	280						
70	Indigo	2	20										
71	Metals, &c.	102	1,020	26	380	11	220						
72	Silk	52	520	18	270	9	170						
73	Spirits, &c.	37	370	10	150	3	60						
74	Sugar	354	3,540	64	960	33	660						
75	Woollen goods	45	450	14	210	4	70						
76	Others	96	960	17	250	11	220						
	Total (e)	819	8,190	184	2,740	91	1,800						

was collected for the Year 1888-89 in the Punjab.

9	10	11	12	13	14	15	16	17	18	19	20
Class IV, Rs. 1,250 to Rs. 1,500.		Class V, Rs. 1,500 to Rs. 1,750.		Class VI, Rs. 1,750 to Rs. 2,000.		Total of Classes I to VI.		Class VII, Rs. 2,000 to Rs. 2,500.		Class VIII, Rs. 2,500 to Rs. 5,000.	
Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
23	644	21	735	10	420	267	4,599	8	462	19	1,715
35	972	24	840	18	749	503	7,831	5	289	9	692
27	746	14	470	16	672	304	4,923	19	1,101	18	1,333
395	11,042	215	7,532	104	4,378	3,943	62,022	66	3,624	101	8,430
942	26,254	591	20,498	391	16,230	12,749	1,94,453	342	18,785	485	40,878
57	1,596	38	1,330	30	1,317	578	10,008	30	1,803	44	3,793
114	3,179	78	2,721	73	3,020	1,892	28,665	89	2,144	59	4,893
180	5,032	118	4,130	60	2,506	2,408	36,460	43	2,357	63	5,225
1	28	1	35	...	...	36	493	1	53	...	...
40	1,055	28	960	26	1,092	778	11,302	20	1,047	26	2,292
1,814	50,548	1,128	39,251	728	30,393	23,458	3,60,756	573	31,665	824	69,251
...	...	...	...	1	42	4	72	...	...	...	...
14	392	5	175	2	84	122	1,851	4	262	1	71
2	56	...	...	...	...	184	2,031	...	...	...	...
...	...	...	...	...	...	1	10	...	...	...	...
1	28	3	105	2	62	17	360	3	173	5	423
17	476	8	280	5	188	328	4,324	7	435	6	494
3	84	2	70	4	168	133	1,672	2	114	...	...
59	1,652	29	1,015	11	462	1,050	14,449	12	625	7	641
4	112	1	35	1	42	43	634	...	...	1	104
175	4,866	71	2,483	50	2,079	3,188	42,893	22	1,170	29	2,373
1	28	...	...	1	42	63	810	4	221	...	...
28	784	8	280	9	364	225	3,743	3	156	13	1,101
1	28	2	70	...	...	46	608	...	...	...	...
...	...	3	105	...	...	20	315	...	...	...	...
16	448	5	175	5	210	186	2,728	8	405	7	787
4	112	5	175	...	...	40	757	7	373	20	1,671
1	28	2	70	...	...	31	453	1	52	...	...
2	56	4	140	2	84	70	985	...	...	...	...
5	140	6	210	3	126	107	1,666	1	52	5	429
1	28	...	...	...	...	25	298	...	...	1	74
96	2,582	51	1,735	44	1,756	2,275	30,151	41	2,055	21	1,767
396	10,948	189	6,563	130	5,333	7,502	1,02,162	101	5,223	104	8,947
...	...	...	...	...	...	42	500	...	...	...	...
...	...	...	...	...	...	4	40	...	...	...	...
2	56	6	210	2	84	150	2,040	2	118	2	138
...	...	...	...	1	42	3	62	...	...	...	...
4	112	2	70	...	...	145	1,802	...	...	1	66
3	84	3	105	2	84	87	1,233	...	...	2	146
2	56	1	35	...	...	53	671	1	52	...	...
31	868	24	840	2	84	508	6,952	5	268	9	770
2	56	1	35	...	...	66	821	...	...	...	...
5	140	5	175	5	210	139	1,955	3	168	2	196
49	1,372	42	1,470	12	504	1,197	16,076	11	606	16	1,316

Classified Statement of the Incomes on which the Tax

Serial No.	SOURCES OF INCOME.	21	22	23	24	25	26
		Class IX, Rs. 5,000 to Rs. 10,000.		Class X, Rs. 10,000 to Rs. 20,000.		Class XI, Rs. 20,000 to Rs. 30,000.	
		Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.
		Rs.		Rs.		Rs.	
(b) COMMERCE.							
37	Agents	8	1,147	4	1,168	1	547
38	Brokers ... ..	...	...	...	...	...	...
39	Contractors	13	2,105	5	1,488	...	...
40	Bankers	26	4,020	9	2,789	3	1,887
41	Money lending and changing	130	21,801	20	6,878	2	1,172
42	General Merchants	15	2,566	2	662	2	1,181
43	Piece-goods "	28	4,463	12	3,917	...	...
44	Grain "	10	1,642	...	...	...	...
45	Salt " ... ..	...	...	...	...	...	...
46	Other "	14	1,971	3	588	...	...
	Total (b)	244	39,715	55	17,490	8	4,787
(c) TRANSPORT, &c.							
47	Cart and Carriage Builders ... ..	...	...	...	...	...	...
48	" Owners ... ..	...	...	...	...	...	...
49	Livery stable keepers ... ..	...	...	...	...	...	...
50	Ship and boat owners ... ..	...	...	...	...	...	...
51	Hotel and inn keepers	4	823	2	655	...	...
	Total (c)	4	823	2	655	...	...
(d) TRADE.							
52	Dealers in animals	1	200	...	...	...	...
53	" agricultural produce	1	130	...	...	...	...
54	" animal and vegetable substances (not food) ... ..	...	...	...	...	...	...
55	" food	6	932	2	521	...	...
56	" books and stationery	1	192	...	...	...	...
57	" building materials	4	689	3	990	...	...
58	" fuel ... ..	...	...	...	...	...	...
59	" furniture ... ..	...	...	...	...	...	...
60	" metals, &c.	3	547	2	682	...	...
61	" precious stones, &c.	9	1,456	2	625	1	651
62	" salt ... ..	...	...	...	...	...	...
63	" spirits, &c. ... ..	...	...	1	319	1	455
64	" opium ... ..	...	...	...	...	...	...
65	" dress, &c. ... ..	...	...	...	...	...	...
66	" other articles	5	697	...	...	...	...
	Total (d)	30	4,843	10	3,137	2	1,106
(e) MANUFACTURE.							
67	Cotton goods ... ..	...	...	...	...	...	...
68	Builders ... ..	...	...	...	...	...	...
69	Artizans ... ..	...	...	...	...	...	...
70	Indigo ... ..	...	...	...	...	...	...
71	Metals, &c. ... ..	...	...	...	...	...	...
72	Silk ... ..	...	...	...	...	...	...
73	Spirits, &c. ... ..	...	...	...	...	...	...
74	Sugar ... ..	...	...	...	...	...	...
75	Woollen goods	1	150	...	...	...	...
76	Others	4	701	...	...	...	...
	Total (e)	5	851	...	...	...	...

was collected for the Year 1888-89 in the Punjab.

27	28	29	30	31	32	33	34	35	36	37	38	39
Class XII, Rs. 30,000 to Rs. 40,000.		Class XIII, Rs. 40,000 to Rs. 50,000.		Class XIV, Rs. 50,000 to Rs. 1,00,000.		Class XV, Rs. 1,00,000 and over.		Total of classes VII to XV.		Grand Total.		REMARKS.
Number of assessees.	Amount of tax	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
...	40	5,039	307	9,638	
...	14	981	517	8,812	
...	1	1,000	...	...	56	7,027	360	11,950	
4	2,482	1	1,449	...	...	...	...	210	24,681	4,153	86,703	
1	838	2	2,883	...	...	...	...	982	92,435	13,731	2,86,888	
...	93	10,005	671	20,013	
1	651	...	...	...	...	...	...	139	16,068	2,031	44,733	
...	...	1	1,042	...	...	...	...	117	10,266	2,525	46,726	
...	1	53	37	546	
...	63	5,898	841	17,200	
6	3,971	4	4,574	1	1,000	...	...	1,715	1,72,453	25,173	5,33,209	
...	4	72	
...	5	333	127	2,184	
...	184	2,031	
...	1	10	
...	14	2,074	31	2,434	
...	19	2,407	347	6,731	
...	3	314	136	1,986	
...	20	1,396	1,070	15,845	
...	1	104	44	738	
...	59	4,996	3,247	47,889	
...	5	413	68	1,223	
...	23	2,936	248	6,079	
...	46	608	
...	20	315	
...	20	2,421	206	5,149	
...	39	4,776	79	5,533	
...	1	52	32	505	
...	2	774	72	1,759	
...	6	481	113	2,147	
...	1	74	26	372	
...	67	4,519	2,342	34,670	
...	247	23,256	7,749	1,25,418	
...	42	500	
...	4	40	
...	4	256	154	2,296	
...	3	62	
...	1	66	146	1,868	
...	2	146	89	1,379	
...	1	52	54	723	
...	15	1,188	523	8,140	
...	4	701	70	1,522	
...	5	364	144	2,319	
...	32	2,773	1,229	18,849	

RETURN

Classified Statement of the Incomes on which the Tax

1	2	3	4	5	6	7	8
Serial No.	SOURCES OF INCOME.	Class I, Rs. 500 to Rs. 750.		Class II, Rs. 750 to Rs. 1,000.		Class III, Rs. 1,000 to Rs. 1,250.	
		Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.	Number of assesses.	Amount of tax.
			Rs.		Rs.		Rs.
	(f) PROPERTY.						
77	House Proprietors	255	2,541	135	2,028	97	1,896
78	Newspaper Proprietors	1	10	...	...	...	...
79	Printing Press Proprietors	11	110	1	10	2	40
80	Taxable Estates-holders	1	10	...	...	...	...
	Total (f)	268	2,671	136	2,038	99	1,909
	ABSTRACT.						
	I.—Salaries—						
	Paid by Government	1,403	18,092	589	10,769	296	7,429
	Others	641	6,023	190	2,927	165	3,525
	II.—Companies	1	10	1	15	...	...
	IV.—Other Sources	20,060	2,00,414	6,098	91,662	2,965	58,962
	Total excluding Returns I and II	20,702	2,06,447	6,289	94,004	3,130	62,487
	GRAND TOTAL	22,105	2,24,539	6,878	1,04,773	3,426	69,916

No. V—continued.

was collected for the Year 1888-89 in the Punjab.

9	10	11	12	13	14	15	16	17	18	19	20
Class IV, Rs. 1,250 to Rs. 1,500.		Class V, Rs. 1,500 to Rs. 1,750.		Class VI, Rs. 1,750 to Rs. 2,000.		Total of Classes I to VI.		Class VII, Rs. 2,000 to Rs. 2,500.		Class VIII, Rs. 2,500 to Rs. 5,000.	
Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
53	1,482	39	1,333	37	1,557	616	10,810	48	2,276	83	6,847
...	...	...	...	...	...	1	10	...	...	...	...
4	99	...	...	...	...	18	259	...	62	...	74
1	28	1	35	1	42	4	115	...	...	1	93
58	1,609	40	1,368	38	1,599	639	11,194	49	2,338	85	7,014
150	4,082	105	2,616	223	8,340	2,766	51,328	305	15,820	369	29,239
69	1,663	42	1,251	74	2,279	1,181	17,668	90	3,822	107	8,394
...	...	1	41	...	...	8	66	2	114	3	261
2,381	66,269	1,440	50,056	938	39,067	33,882	5,05,830	783	42,465	1,125	95,125
2,450	67,932	1,483	51,348	1,012	41,346	35,066	5,23,564	875	46,401	1,235	1,03,780
2,600	72,014	1,588	53,964	1,235	49,686	37,832	5,74,892	1,180	62,221	1,604	1,33,019

Classified Statement of the Incomes on which the Tax

Serial No.	SOURCES OF INCOME.	21	22	23	24	25	26
		Class IX, Rs. 5,000 to Rs. 10,000.		Class X, Rs. 10,000 to Rs. 20,000.		Class XI, Rs. 20,000 to Rs. 30,000.	
		Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.
	(f) PROPERTY.		Rs.		Rs.		Rs.
77	House Proprietors	33	5,382	7	2,457	1	549
78	Newspaper Proprietors ... ..	...	...	...	...	1	621
79	Printing Press Proprietors	1	173	...	...	...	...
80	Taxable Estates-holders	1	285	1	266	...	...
	Total (f)	35	5,790	8	2,723	2	1,170
	ABSTRACT.						
	I.—Salaries—						
	Paid by Government	289	47,723	139	39,998	53	22,844
	Others... ..	32	4,823	2	519	1	703
	II.—Companies	1	130	...	...	...	...
	IV.—Other Sources	365	59,903	85	27,482	16	9,602
	Total excluding Returns I and II	398	64,856	87	28,001	17	10,305
	GRAND TOTAL	687	1,12,579	226	67,999	70	33,149

No. V—concluded.

was collected for the Year 1888-89 in the Punjab.

27	28	29	30	31	32	33	34	35	36	37	38	39
Class XII, Rs. 30,000 to Rs. 40,000.		Class XIII, Rs. 40,000 to Rs. 50,000.		Class XIV, Rs. 50,000 to Rs. 1,00,000.		Class XV, Rs. 1,00,000 and over.		Total of classes VII to XV.		Grand Total.		REMARKS.
Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	Number of assessees.	Amount of tax.	
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
1	830	...	...	1	2,062	...	...	174	20,403	790	31,213	
...	...	...	...	...	...	...	...	1	621	2	631	
...	...	1	1,172	...	...	...	...	4	1,481	22	1,740	
...	...	...	...	...	...	...	...	3	594	7	709	
1	830	1	1,172	1	2,062	...	...	182	23,099	821	34,293	
16	9,056	7	6,031	2	2,383	...	...	1,180	1,73,094	3,946	2,24,422	
1	671	...	...	1	1,563	...	...	234	20,495	1,415	38,163	
...	...	...	...	1	2,188	3	8,463	10	11,156	13	11,222	
7	4,891	5	5,746	2	3,062	...	...	2,388	2,48,186	36,270	7,54,016	
8	5,472	5	5,746	4	6,813	3	8,463	2,632	2,79,837	37,698	8,03,401	
24	14,528	12	11,777	6	9,196	3	8,463	3,812	4,52,931	41,644	10,27,823	

RETURN No. VI.

(RULE 20.)

Statement of Expenditure incurred in the Assessment and Collection of the Tax, under Act II of 1886, in the Year 1888-89.

1	2	3	4	5	6	7
DIVISION.	DISTRICT.	Establishment.	Travelling allowances.	Contingencies.	Total.	REMARKS.
		Rs.	Rs.	Rs.	Rs.	
DELHI.	Hissár	294	...	2	296	* On account of cost of an almirah carriage of records, cloth for Bastah, &c
	Rohtak	270	...	23	293	
	Gurgáon	255	...	...	255
	Delhi	345	...	...	345
	Karnál	314	...	*66	380	
	Umballa	495	...	...	495
	Simla	630	13	17	714	
	Total Delhi Division ...	2,603	13	162	2,778	
JULLUNDUR.	Kángra	300	...	12	312	† Includes the sum of Rs. 25 on account of reward given to Income Tax Muharrir.
	Hoshiárpur	360	...	31	391	
	Jullandúr	360	...	...	360
	Ludhiána	330	...	5	335	
	Ferozepore	† 415	...	. 1	416
	Total Jullundur Division.	1,765	...	49	1,814	
LAHORE.	Mooltan	339	...	15	354	
	Jhang	345	...	...	345
	Montgomery	300	...	5	305	
	Lahore	345	...	55	400	
	Amritsar	420	...	117	537	
	Gurdáspur	378	...	...	378
	Total Lahore Division ...	2,127	...	192	2,319	
RAWALPINDI.	Siálkot	300	...	17	317	† Book-binding and cost of furniture.
	Gujrát	285	...	23	308	
	Gujránwála	285	...	...	285
	Shahpur	240	...	...	240
	Jhelam	300	...	...	300
	Ráwalpindi	395	...	† 150	545	
	Total Ráwalpindi Division.	1,805	...	190	1,995	
PESHAWAR.	Hazára	20	20	
	Pesháwar	418	...	...	418
	Kohat	30	...	...	30
	Total Pesháwar Division.	468	...	...	468
DERAJAT.	Bannu	65	...	1	66	
	Dera Ismail Khan	280	...	50	330	
	Dera Gházi Khan	300	...	49	349	
	Muzaffargarh	85	...	47	332	
	Total Deraját Division ...	930	...	147	1,077	
	Income Tax Commissioner	\$ 5,561	622	...	6,183		§ Covers Mr. Parker's pay as Extra Judicial Assistant Commissioner, Rs. 1,000, Income Tax Allowance Rs. 200 per mensem. Mr. Parker was appointed on 8th March 1888, vide Punjab Government Notification No. 588, dated 22nd March 1888, and his deputation terminated on 21st July 1888; Government Notification No. 291, dated 4th August 1888.
Income Tax Commissioner's establishment.	281	119	9	409		
Income Tax Clerk, Financial-Commr's. office.	559	...	...	|| 559	
	6,401	741	9	7,151		
Grand Total ...	16,099	754	749	17,602		

APPENDIX TO ANNUAL INCOME TAX REPORT, 1888-89.

ANALYSIS OF RULINGS PASSED BY THE GOVERNMENT OF INDIA, THE PUNJAB GOVERNMENT, AND THE FINANCIAL COMMISSIONER IN 1888-89.

SECTION AND SUBJECT.	SUBSTANCE OF RULING OR ORDER.	REFERENCE.
SECTION III (4).	3a. The tentage allowance included in the pay and Indian allowances of an officer under Article 975 of the Army Regulations, India, Vol. I, Part I, shall be deemed to be salary unless the officer has provided, and has in his possession, the Camp equipage of his rank in a serviceable condition. The horse allowance as included in the consolidated or staff pay of the several appointments specified in Article 91 of the Army Regulations, India, Vol. I, Part I, shall be deemed to be salary unless the officer has provided, and actually maintains the number of chargers prescribed for his rank.	Circular F. C.'s No. 17 of 1889; G. I. Notification No. 6720, dated 20th December 1888.
Tentage and horse allowances to be included in "Salary" under certain conditions.		
SECTION III (5).	3a. The annual allowances of Rs. 1,200 each paid from the revenues of the Faridkot State through the Ferozepore Treasury to Ráni Dya Kour and Ráni Partáb Kour, residing in Patiála, are not liable to income tax.	F. C.'s No. 1248, dated 21st February 1889, to Commissioner, Jullundur.
Allowances to Ránis Dya Kour and Partáb Kour exempt.		
SECTION IV.	18b. The incomes received by the Mahárája of Cooch Behár and his suite while residing at Simla are not liable to income tax, as the Mahárája is not a regular resident of British India.	G. I. No. 4904 I, dated 15th December 1888, to Punjab Government; F. C.'s No. 323, dated 17th January 1889, to Commissioner, Delhi.
Incomes received in Simla by the Mahárája of Cooch Behár and his suite not liable.		
SECTION IV.	18c. The pension which Rája Kishen Dhar Deo, Umballa, receives from the British Government under an arrangement made with the Mahárája of Kashmir in 1847, not exempt from income tax.	P. G. No. 173, dated 18th January 1889, to Financial Commissioner; F. C.'s No. 1147, dated 19th February 1889, to Commissioner, Delhi.
Pension of Rája Kishen Dhar Deo, Umballa, not exempt.		
SECTION IV.	18d. The cash pension enjoyed by Rája Indar Deo, Gurdáspur District, which was granted to his father, in exchange for certain jágir villages, liable to income tax.	G. I. No. 881, dated 3rd March 1887, to Bombay Government; F. C.'s No. 481, dated 23rd January 1889, to Commissioner, Lahore.
Cash pension of Rája Indar Deo, Gurdáspur, not exempt.		
SECTION V (1) (b).	21a. The revenues derived from the estates of the Skinner family while held in joint ownership are liable to tax on the principle that the Skinner family while joint were certainly a "person" under Section 3 (7) of Act II of 1886, and Section 2 of the General Clauses Act.	F. C.'s No. 5723, dated 26th September 1888, to Commissioner, Delhi.
Revenue derived from the Skinner estate while held in joint ownership not exempt.		
SECTION V (1) (e).	26a. Rules that no refund can be allowed nor can a set off be granted as the tax was rightly levied in 1886.	F. C.'s No. 5022, dated 20th August 1888, to Commissioner, Ráwalpindi.
Application of a clergyman for refund of tax paid by him in 1886, or the setting off of the same against the tax assessed for 1887-88.		
SECTION V (1) (e).	26b. Rules that the offerings are taxable if received by the Guru for his personal use, even if they are afterwards expended on personal charity. If they are received by the Guru as head of a charitable institution and expended exclusively for the purposes of that institution, they are exempt.	F. C.'s No. 83, dated 8th January 1889, to Commissioner, Jullundur.
Question whether offerings made to the Guru of Kartápur are exempt or not.		

SECTION V (1) (e).

Question whether offerings made by pilgrims to the Brahmin Pandits of Thanesar are exempt from the tax or not.

26c. Held that the offerings are exempt. The offerings are as a fact made solely on religious grounds, and, therefore, the money whereof the offerings consist is "property solely employed for religious purposes" in the very act of its presentation to the Pandits; and the subsequent use to which the money is put is immaterial. Again, it makes no difference whether offerings made on religious grounds are given to an idol or to persons of a religious character.

P. G. No. 623, dated 28th March 1889.

SECTION V (1) (g).

Exemption of premiã paid to Insurance Companies from Income Tax.

34. No claim to exemption under this section on account of premiã paid shall be entertained if it is preferred after the expiration of six months from the last day of the financial year during which the premium was paid.

G. I. No. 1710, dated 30th March 1888, and No. 1650, dated 27th March 1888, and F. C.'s Circular No. 22 of 1888.

Exemption is granted only in respect of premiã paid during the year upon the income accruing in which the tax is assessed under Section 15 of the Act.

SECTION VI.

Discount for sale of stamps allowed to Postal officials exempt.

53a. Discount for sale of stamps allowed to Postal officials is not to be taxed.

G. I. No. 2323, dated 3rd May 1888.

SECTION VII.

No limitation of period for refund under Part I.

67a. Application for refund of income tax levied under Part I (salaries and pensions) 2nd Schedule of Act II of 1886 can be made after any time however long.

F. C.'s No. 5970, dated 8th October 1888, to Commissioner, Lahore.

SECTION XXIV.

Houses at Simla belonging to the Mahárãja of Cooch Behãr not exempt.

109a. The Mahárãja of Cooch Behãr's property situated in British territory is not exempt from any taxation to which it is, or may be, liable by any law now or hereafter to be put in force.

G. I. No. 4904 I, dated 15th December 1888, to Punjab Government; F. C.'s No. 323, dated 17th January 1889, to Commissioner, Delhi.

SECTION XXIV.

Assessment of income tax on rents of houses let furnished—Mode of assessment.

109b. Income derived from houses let furnished to be assessed with tax on the net income derived from house and furniture, i. e., gross income after deduction of the cost of necessary repairs and collection of rent.

F. C.'s No. 371, dated 18th January 1889, to Commissioner, Peshãwar.

SECTION XXXI.

Agreements of composition—Rules.

121a. Issues rules for carrying out the provisions of Section 31 of the Act.

F. C.'s Circular No. 26, dated 16th August 1888; P. G. No. 1421, dated 27th June 1888.

