

CHAPTER XI

REVENUE ADMINISTRATION

TO meet the administrative and other expenses, State has to levy taxes. Land revenue, tax on property, tolls at transit points, profession tax or license fee, presents to the royalty (*kanike* or *nazarana*) and judicial fines were the major sources of royal revenue. Land revenue was the most notable source of State income as pointed by Manu and other writers on polity and records from Karnataka also point out this to be true. Land was measured and we come across land measures like *kamma*, *muttar*, *nivartana*, *kuli* etc. But more frequently sowing capacity of land was taken into account to describe the size of the land. A record of 10th century from Nanjangud taluk (Nj 188) speaks of '10 *kolaga mannu*' meaning land with the sowing capacity of 10 *kolagas*. A similar record (Gundiupet 149) of 1417 speaks 40 *khanduga gadde* (wet land) of Edatale and eight *khanduga* land from Kelasur. Ng 213 dated 1015-16 refers to a piece of land of 2 *khandugas* and 10 *ballas*. Ng 357 of the 12th century speaks of 100 *kulis* of land with a sowing capacity of 10 *kolagas*. Boundary stones called *lingamudreya kallu* or *vamanamudreya kallu* are also spoken of in records and a record from Raghavapura dated 1320 (Gu 40) mentions 34 points where border stones have been indicated to identify the village boundaries, and similarly in 1744 to demarcate the lands of Agrahara Hampapura, 28 points are mentioned (Cn 291). Such records are numerous from the district. Land records were called *kadita* (1162 A.D., Hn 24) and the village revenue account is spoken of 'Terakanambe Lekka' in a record speaking of the Terakanambi town in 1521 (Gu 134). Though the traditional authorities including Manu and others ordained the collection of one sixth of the land produce as revenue, the rate of collection varied from time to time and various levies or cesses were added to the *kula* or *modalu*, the original assessment.

A Hoysala record of 1162 (Hn 24) speaks of other taxes like *mane chinna* (house tax), *vola-varu* (entry tax) and *hora-varu* (exit tax) on goods on transit, profession taxes or license fees like *gana tere* (on oil press), *kumbaradere* (on potter), *agasadere* (on washerman), *tottudere* (on slaves), *bhandidere* (on carts), *voddadere* (on masons), *medadere* (on basket weavers), *sadadere* (on shepherds?), *uduvalu tere* (on fuel?), *navida dere* (on barbers) etc. A Vijayanagar record of 1521 (Gu 134) mentions taxes like *bettada kavalu* (grazing fee), *bogaradere* (tax on brazier), *ganakara tere* (on boatmen?), *vojugala tera* (on artificers), *dasugala terige* (on fishermen), *aaha terige* (on smithy), *magga sunka* (on looms) in addition to those mentioned above. Another record of 1521 (Gu 150) also mentions *kuriterige* (on sheep), *bella sunka* (on jaggery manufacture), *uppina kavali sunka* (on salt pans). Further, one inscription of 1669 (IIg 17) lists some other taxes like *hogevana* (tax on smoke; of kilns and workshops?), *manevana* (house tax), *mootte sunka* (on headloads), *jatikuta kanike* (levy on community meetings), *maduve sunka* (marriage tax), *charadaya terige* (tax on income from mobile sources?). A Haradanahalli record of 1458 speaks of *hiriya kereya paasevaru* which is interpreted as tax on fishing. That tax on land, house, professions and tax on goods on transit (*sunka* or *shulka*) or toll, also called as *volu-varu* and *hora-varu* was levied from the earliest times is clear from these records and new taxes came to be levied later in also certain. A record of 1258 (Ng 20) speaks of *ubhaya margada sunka*, perhaps levying both entry and exist taxes at a single point. Land revenue was also further classified as that levied on *gadde* (wet land), *beddalu* (dry land), *tota* (garden), *tudike* (flower garden), *kala* (thrashing ground), *kotara* (store or warehouse) etc. Some records indicate that tax was levied on fruit-yielding trees on the basis of their number in orchards. Inscriptions also indicate penal action taken against officers who oppressed the peasants, and caused their migration. The records speaking of creation of new settlements also mention assurances given against likely official high-handedness. (see page 209 for illustrations).

During the Vijayanagara times an improved system of maintenance of accounts was introduced. There was a department of taxation known as the *athavane*. The extent of land was determined by the quantity of seeds sown as already noted. Mysore rulers and other feudatories of Vijayanagara continued the same system. Chikkadevaraya Wodeyar evolved a more vigorous system of collecting land revenue and other State dues.

He made certain items like iron, tobacco, betelnut, cardamom, paper and sandalwood a State monopoly. The citizens were to sell these items to the State and the state alone was to distribute them to major consumers and also export it. This practice yielded huge income. He introduced a number of changes with the object of increasing the revenue. He was very meticulous and strict in collection of revenue. The share of the State from lands was fixed as one third. In wet land half the produce was considered the State's

share. In Certain areas tax was collected in kind, and grains collected were stored in state granaries. Revenue dues were collected in three instalments.

The general tenure of land Mysore did not materially differ from that prevailing in the surrounding areas. Cultivators and their heirs had the right of continuing in possession of such lands as long as there was no default in the payment of the customary rent. If the land was not cultivated and the cultivators failed to pay the rent the Government was entitled to resume the land and confer it on others. The proprietorship was regarded as vested in the land lord and was hereditary, the rent being paid in money and the Government Officer had only to receive the rent. This system of hereditary Proprietorship and fixing of rent continued till the time of Haider. In 1763 when Haider had an ambition of maintaining a strong military force taxation increased. During the time of Haider and Tipu land assessment had fluctuated, and the presence of army was always necessary to enforce payment of revenue. Haider "left the fiscal institutions of Chickkadevaraja Wodeyar as he found them adding however to the established revenue, whatever had been secretly levied by a skilful or popular amil, and afterwards detected", says C. Hayavadana Rao. Two Harikars were posted in every taluk, and their duty was to hear all complaints and report them to the headquarters of the Government. They were found to be a great check on local oppression and defalcations of revenue. Tipu also continued the same policy. But he increased the number of provinces from five to 37 to help collection of revenue more efficiently. He conducted a regular survey to ascertain whether there is any fall in the population of agriculturists. The peasants were given *cowl* or security at the beginning of the year to encourage them to cultivate their lands.

Dewan Furnaiah (1799-1810) had an adequate idea of the advantages accruing both to the Government and the ryot from a system of hereditary property and fixed rents instead of the somewhat precarious tenures which prevailed then. The whole of the revenue was under the management of the Government. The mode of estimating the extent of land was not on actual measurement but by the quantity of seeds required to sow the land. According to Colonel Wilks the share of the Government in the gross produce of land was about 40 per cent while 60 per cent went to the cultivator.

The revenue of the Government was derived from four sources-land assessment, sayer, toddy and tobacco. Under land assessment was included the house tax and plough tax. Dry lands paid a fixed money rent amounting to about one third of the value of the crop, rice lands paid their assessment both in money and in kind. Sayer or duties were derived from levies on articles included in the internal trade. The miscellaneous department regulated the Raja's establishment of state and of his household. Revenue administration of Furnaiah was so meticulous that State income which was 60 lakhs annually at the beginning rose to 71 lakhs by his efforts.

The later administration of the land revenue system have been accounted by Colonel Morrison, the sole Commissioner in 1833. Land Revenue administration was conducted as organised by Dewan purnaiah and there was no deviation as the system was by then fairly established. Land was not measured, but was expressed in terms of a fixed quantity of seed that would suffice for sowing the land i.e., land was expressed in terms of *khandi* or of *khanduga* (roughly one *khanduga* of seed would suffice to sow 13 acres and eight guntas of dry land and one *khanduga* of wet land meant two acres and two guntas by the present standard rate). As the method proved inaccurate, it was given up.

The operation of fixing rates of assessment was dependant on the measurement of the fields and classification of the soils, as these two factors afforded the basis for the fixation of land revenue. The process for determining the amount of land revenue payable is called a settlement. The Bombay settlement which is raiyatwari (where each field is measured separately) system was adopted by Mysore State in the days of Bowring (1862-70). A matter with regard to State income to be noted here is that in the days of Cubbon (1834-61), he abolished as many as 769 minor levies or *kirukulas* which hampered trade and movement of goods and were vexatious. Still State income had risen from Rs. 68 lakhs in 1834-35 to 84 lakhs in 1855-56. In the old Mysore state the system of assessment was till then essentially an empirical one. The system devised by Dr. Goldsmith and Lt. Wingate was first introduced in 1840 in Madras presidency, and a year later was adopted in the princely State of Mysore. Later Bowring had the survey and settlement Rules issued, mainly based on Bombay Acts I of 1865 and IV of 1868. The first settlement called the 'Original settlement' of 1877-78 was preceded by a detailed survey of land which included soil classification. During the survey the village boundaries were fixed and then each piece of land separately cultivated is measured and given a survey number. At the original survey, the lands were classified after careful enquiries as to their fertility into several groups and their fertility expressed in fractions of a rupee-16 annas representing the best kind of soil. The classification of the soil was not made with the object of basing the assessment on the net produce but merely served as a basis for the apportionment of the total revenue determined for the area on general consideration.

During the original settlement the taluk was taken as a unit for purposes of settlement. The first taluk that was settled was not divided into groups but a single rate for different types of soil as dry, wet and garden was fixed for the taluk as a whole. But later on it was found that the taluk as a whole was not a homogeneous unit and the factors like fertility of soil, rainfall and the like varied very much and the necessity of minimising these varying factors was felt and groups were formed in the taluk. This division of taluka into groups was based on the physical characteristics of the soil, fertility, climate, rainfall and the economic advantages like communications,

market etc. The total amount of assessment was then fixed based on the revenue history of the tract for the past thirty years or so. This gross amount of assessment was then apportioned on the different villages. The land revenue so fixed was to remain operative for a period of 30 years after which it was subjected to revision.

Talukwise Settlement

Chamarajanagar.—Thirty villages of Chamarajanagar which were intended to be formed into a Jahagir were first settled in 1877 and 126 villages were settled in 1894. Of these 156 villages, three were absorbed and nine villages were newly formed and the revision settlement was introduced into 162 villages in 1926. The subsequent settlement of 1964 relates to 189 villages inclusive of 30 Inam villages.

Gundlupet.—The original settlement was introduced in 179 villages in 1891. Of these 179 villages 23 were absorbed in other villages and 5 new villages were formed out of the Bandipur State Forest and the revision settlement was introduced for 161 villages in 1926. The present revision settlement relates to 160 villages only inclusive of one Inam village.

Yelandur taluk.—The original settlement was introduced to Yelandur Jahgir in 1894 for 28 villages. The revision settlement did not seem to have been introduced when the other two taluks were resettled in 1926. The number of villages under the present settlement remains unaltered.

Heggadadevanakote, Hunsur and Periyapatna.—The original settlement of all the three taluks now comprised in Zone XIII was done in 1884. At the time of the first revision settlement in 1924 the present Periyapatna taluk and Hunsur taluk formed one taluk called Hunsur taluk consisting of 381 Government villages excluding one Inam village and three other villages of K.R. Nagar, because of the proximity to the adjoining Krishnarajanagar taluk. The first revision resettlement of all the Government villages of Heggadadevanakote was done in 1923. The grouping done in respect of the taluks now comprised in zone XIII are Hunsur and Periyapatna of 134 villages and 244 respectively in group I and II and Heggadadevanakote has 60 villages in group I, 116 in group II and 91 in group III.

Kollegal.—Consequent on the Reorganisation of States Kollegal taluk was merged into Mysore district of the new State of Mysore and has continued as a separate taluk since then. The original settlement was introduced in the Kollegal taluk for 101 villages during 1881-82 and the first revision settlement in 1913-14. The Government of Madras had in 1937 declared that there would be no further Revision settlements and the rates in force would not be enhanced. But the Government of the New State of Mysore having found that the Kollegal taluk was the only taluk in Mysore district where the Madras system of survey and settlement was in vogue and the

peculiar geographical situation that existed formed Kollegal taluk into an independent zone. When the revision settlement was introduced in 1913 there were 99 villages in Kollegal taluk. Of these, 50 villages were surveyed and settled for the first time and 49 were resurveyed in the same year. According to the list of villages of Kollegal taluk there were 149 villages inclusive of three Inam villages. After the amalgamation and sub-division the entire 149 villages were re-grouped into 89 villages. The present group-wise distribution of villages are 59 villages in group I and 30 villages in group II.

Mysore.—The original settlement of Mysore taluk was introduced in 1887. The taluk then consisted of 147 Government villages, 26 Inam villages and one Kaval village and eight hoblies. At the time of the First Revision Settlement, 11 out of the 147 Government villages were amalgamated with the other villages, one village was submerged under the Krishnarajasagar project and two villages were newly added. Thus as against the 174 villages at the time of the original settlement, there were only 131 villages at the time of the First Revision Settlement. At present there are 167 villages, 6 villages have been deleted from the 131 villages and 42 villages have been newly added. The earlier settlements covered only Government villages and the Inam villages have been kept outside the orbit of settlement operations. But the second revision settlement had not made any such distinction as the Inam rights have been extinguished and these villages are treated on par with the other villages.

Nanjangud.—At the time of the original settlement in 1899, the taluk consisted of 165 Government villages, six Kaval villages and 35 alienated villages. Of these 206 villages, only 171 villages were settled excluding the 35 Inam vilages. During the first revision settlement there were 146 villages and five hoblies only. Sixteen out of the originally settled 171 villages were absorbed at the time of the First Revision settlement and one Inam village which was resumed was added. Now there are 190 villages, distributed among five hoblies since one village settled earlier has been deleted and 35 villages have been added during the subsequent settlement period.

T. Narasipur.—The original settlement was introduced in 1899 when the taluk consisted of 138 villages of which 101 were Government and 37 alienated villages. At the time of the First Revision Settlement there were only 97 villages in five hoblies to be settled. The present settlement has 133 villages in five hoblies two villages have been deleted from this taluk and 38 villages have been joined to it. The thirty year guarantee period of the original settlement of 1898 expired in 1928 when the first revision was taken up immediately, whereas the Second Revision Settlement which was due in 1958 was taken up after a lapse of three years.

Krishnarajanagar.—The original settlement of Krishnarajanagar then called Yedathore taluk of 175 villages was conducted in 1885-86. Of these 175 villages settled, 134 villages were in Yedathore taluk, 36 villages in Holenarasipur taluk, two villages in Krishnarajpet taluk and three in Hunsur taluk.

Revision settlement

The period of survey guarantee—thirty years—elapsed in some of the early settled taluks. In 1900 Government resolved to have a revision survey and a revision of all assessment in all the taluks in which the guarantee period of the original settlement had expired. The revision survey comprised only such remeasurements as was deemed absolutely necessary in the interests of the occupants or land holders or any of the rules under the Land Revenue Code. The classification of lands was confined to wet and garden lands. The work of classification came to a close in 1928-29.

Revision settlement of 1964

After Reorganisation the uniform Mysore Land Revenue Act and Rules were brought into force on 1st April 1964. The new system contained in this Act which was adopted in the 1965 settlement were—that each field is accurately measured, lands classified according to climate, source of irrigation, location with reference to markets and communications and the standard of husbandry. A maximum assessment called a standard rate is fixed for each class of cultivation in a group. Each field within the group is then assessed on the basis of the relative weightage assigned to the various factors mentioned above. The pitch of assessment is related to a standard of gross produce.

Under the new system the unit of settlement which was previously a taluk was enlarged into a zone which is a local area comprising of a taluk or group of taluks of one or more districts—contiguous and homogeneous in respect of physical configuration, climate and rainfall, principal crops grown and soil characteristics. A standard rate or maximum rate is then fixed for each group. The settlement guarantee period under the new system also continued to be 30 years.

Mysore district is divided into five zones. Zone XII comprised the taluks of Chamarajnagar, Gundlupet and Yelandur, Zone XIII of Hunsur, Periyapatna and Heggadadevankote, Zone XIV of Mysore, Nanjangud and T. Narasipur taluks. Krishnarajanagar which was settled with the other taluks of Mandya district was grouped under Zone XV while Kollegal was treated as a separate zone (details of number of villages, group under each zone is shown in the statement).

Standard Rates.—Under the Land Revenue Act of 1964 standard rate is the value of four per cent of the average yield of crops per acre on that

class of land which has a 100 per cent soil classification value. While arriving at the standard rate the exact share of the gross yield of a particular zone, developments in communication, standard of husbandry, livestock position, rainfall data for the last thirty years, crop cutting experiments of the principal crops during the first ten years etc., is taken into consideration.

The standard rates so arrived at by the Settlement Officers should not exceed four per cent of the average gross yield of the principal crops. These rates and the settlement reports are published for objections and after reasonable time the reports and the objections together with the opinions of the Deputy Commissioner of the district are forwarded to the Government through the Commissioner for Settlement for approval. The standard rate for dry, wet and garden crops in the district are detailed in the statement.

Statement showing the details of Taluks, Zones, groups, standard rate of assessment in Mysore district.

| Name of the taluk | Zone | Group | No. of villages in each group | Standard Rate per acre | | |
|-------------------|-----------------|-------|-------------------------------|------------------------|-------|--------|
| | | | | Dry | Wet | Garden |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Chamarajanagar | XII | I | 103 | 4.06 | 15.64 | 18.04 |
| | | II | 86 | 2.15 | 15.64 | 11.87 |
| Yelandur .. | do | I | 28 | 4.06 | 15.64 | 18.04 |
| Gundlupet | do | II | 160 | 2.15 | 15.64 | 11.87 |
| Hunsur | XIII | I | 111 | 3.95 | 15.00 | 15.00 |
| | | II | 82 | 3.00 | 10.00 | 15.00 |
| | | III | 19 | 2.85 | 12.00 | 13.00 |
| Periyapatna .. | do | I | 121 | 3.95 | 15.00 | 15.00 |
| | | III | 79 | 2.85 | 12.00 | 13.00 |
| H.D. Kote .. | do | I | 6 | 3.95 | 15.00 | 15.00 |
| | | II | 64 | 3.00 | 10.00 | 15.00 |
| | | III | 115 | 2.85 | 12.00 | 13.00 |
| | | IV | 95 | 2.50 | 11.00 | 13.00 |
| Mysore | XIV | II | 167 | 2.21 | 6.94 | 16.42 |
| T. Narasipur .. | do | I | 133 | 4.21 | 10.92 | 15.18 |
| Nanjangud .. | do | I | 190 | 4.21 | 10.92 | 15.18 |
| K.R. Nagar .. | XV | III | N A | 2.95 | 14.05 | 14.05 |
| Kollegal | Kc llegal Zone. | I | 59 | 5.18 | 12.21 | 8.00 |
| | | II | 30 | 2.49 | 12.21 | 8.00 |

Water Rates

Water rates are levied on lands irrigated by all the Government sources (like canals from Government irrigation works, tanks, ponds, jungle streams

etc). The Survey Department with which was vested formerly the right of fixing water rate determined the annual sum due from the occupiers of the land benefiting from the irrigation. Water rates are fixed after taking into consideration the source, nature and permanency of water supply.

Though a uniform irrigation law governing betterment levy and water rate was enacted in 1957, the Mysore Irrigation (Levy of water rate) Rules came into being only in 1965. Water rate is leviable on the water used for the purpose of cultivation from any source belonging to the Government and on the use of water by direct flow or by percolation. The schedule of water rates is graded according to the crop grown.

Earlier consolidated wet assessment was levied on all kinds of lands that came under irrigation from a Government source. Subsequently wet assessment was levied only on rainfed wet lands not deriving advantage of water from any Government irrigational source to a levy of dry assessment in addition to water rate under the Karnataka Irrigation (Levy of Betterment Contribution and Water rate) Act 1957. It was enhanced by 33 1/3 per cent subsequently and the revised rates came into force from 1966. This was abolished in 1980.

Though a Committee appointed by the Government recommended for the scaling down of the water rates and discontinuance of the maintenance cess, it had to reconsider the issue in view of the mounting cost of Irrigation projects. Consequently maintenance cess was restored and is being levied in accordance with the Karnataka Irrigation Act of 1965. There were several amendments from 1972 to 1981 and the rates fixed during these period were as follows.

In respect of water supplied or made available or used from any lift irrigation work and maintained by Government for irrigation of any land water rates shall be levied at three times the rate prescribed in 1979, for sugarcane and paddy and twice the rate for crops other than that. The water rates fixed as per Government Notification of July 1985 and which are in force at present in the district are (in Rupees per acre), sugarcane (12 months) 150, sugarcane (13 to 18 months) 225, Paddy 35 for the first crop and 40 for each of the second and subsequent crops, wheat 22, jowar 20, groundnut 24, tobacco 24, cotton 40, maize, *ragi*, *navane*, *sajje* (bajra), greengram, sweet potato, onion, coriander etc., 20, pulses 15, manurial crops 8 and garden crops 40.

Land Revenue Accounts

After the villages have been surveyed and settlements made, the Survey and Settlement Department prepares a Register showing the area and assessment of each survey number, uncultivated area together with the name of the registered occupant of such survey number known as the *pahni sud*. It also prepares another register of survey numbers showing the total area

under each head—arable and unarable, dry, wet and garden land in detail, its rate per acre, assessment of each and also the total assessment fixed on the entire survey number. This is known as the *akarbund*. On receipt of this, the Village Accountants are required to prepare the *khetwar patrika* or index of land.

On the basis of the Khetwar register the Village Accountant proceeds every year to record the actual state of all lands of the village. It is an important revenue record as it contains all possible data stating to the land held, area, assessment, water rate, classification of land, nature of tenant's right, details of crop grown etc. It is a combined document of rights, tenancy and crops. All changes in the rights are incorporated in the register after they are reported and scrutinised by the competent officer. The original Record of Tenancy and crops which is maintained in the taluk offices is rewritten once in five years.

The Katha Register, another important document which is opened on the 1st of July every year is the basic record containing the entries with reference to the RTC, Khirdi (day book) and receipt book, and the debit entries relating to the land holders with the liabilities to pay land revenue, upset price or conversion fees and other fines etc. Land revenue, miscellaneous revenue and other related cesses have to be closed at the end of the year on 30th June and on the basis of this, the annual accounts of the village under each item of revenue should be finalised.

Patta or a ryot's receipt book is kept with the ryot after getting the entries made regarding payment of land revenue and other dues. It is a record of land held by him. The Village Accountant should make entries in the Patta books of all registered transactions as per intimation slips received from the Sub-registrar, entries of loans due to Government and lands mortgaged to banks, so that the Khatedar may know the full amount of his liabilities. The R. R. Sheristedar verifies the entries made in the Pattas (which should carry the taluk seal in every page) with reference to the mutation register to the correctness of the entries. Assistant Commissioners and Tahsildars examine the Pattas by comparison with the connected ledgers and oral statements made by ryots during the time of their inspection or tours.

Annual accounts.—After each revenue year ending 30th June, annual accounts (Saljade) of the said year in respect of each village for each head of account is prepared. The collections of the whole year under all heads will be reconciled along with the taluk office ledger. The Government dues outstanding in a village and actual collections made by the Village Accountant and the resultant balance struck after cross verification constitute the annual accounts.

Jamabandi.—The system of Jamabandi—the object of which was to review the Revenue administration of each village was in vogue in all

the areas of the State. Government have examined the implications of the working of 'Jamabandi' and have considered it very necessary to revive the system of a thorough and comprehensive review of revenue administration at the village level with the prime objective of toning up the administration at the grassroot level.

The practice of conducting Jamabandi was in practice since long. Earlier Jamabandi commenced immediately after the Dasara holidays where a detailed programme, showing the proposed distribution of the forthcoming Jamabandi work was sorted out between the Deputy Commissioner and his assistants. The Jamabandi or annual settlement of the Government demand then comprised inspection of field boundary marks, avenue trees and other irrigation works. Subsequently, examination of village accountants, disposal of disputed cases (*takrar takktas*) and *darlhasts* (application to rent land) of a special nature, settlement of disputes regarding transfer of *pattas* and thorough examination of the demand, collection and balance of every item of government revenue was also taken up. It was also the duty of the Jamabandi officers that Government waste lands bordering on cultivation as also the dry lands possessing irrigational facilities should be methodically inspected so that unauthorised encroachment and surreptitious use of Government water could be detected. A few of the lands resigned during the year may also be inspected to see whether they have been cultivated after they were relinquished.

Jamabandi is of two kinds—Dittum Jamabandi and Huzur Jamabandi. Dittum Jamabandi which constitutes a preliminary test of village accounts before the Huzur Jamabandi is taken up, is conducted by the Tahsildar at the Hobli headquarters or in the respective Village Accountant's Circle headquarters immediately after the accounts for the new year including the crop particulars are written up by the Village Accountant. The annual (Huzur) Jamabandi is the most important revenue work conducted by the Deputy Commissioner or Assistant Commissioner between October to December to verify and settle the accounts of the previous year and to determine the land revenue and other dues for the current year. The ryots should be appraised of the dates of the Jamabandi and for their convenience it should be conducted at three different places in the taluk so that they can get proper representation of their grievances and obtain redress.

Inams.—In the olden days the Government used to give lands to persons who rendered services to the State or to the village community. Lands were granted for religious, charitable or other purposes also. Such lands were held by the recipients free of assessment or subject to *jodi* (small assessment) which in revenue parlance was called quit rent. The Mysore Revenue Code defines Inam or alienation of land as the assignment in favour of an individual or individuals or of a religious or charitable institution wholly or partially of the right of Government to levy land 'revenue'.

Kayamgutta villages i.e., villages granted on a permanent assessment with a view to promote cultivation has also been treated in the same manner as Inam villages since 1877.

After the fall of Tipu Sultan and the restoration of power to the royal family, the British suggested to Purnaiah not to gift any land without the prior permission of the Resident. Accordingly alienations of land between 1799 and 1810 were not frequent. From 1810 to 1831 Maharaja Krishnaraja Wodeyar III alienated some lands besides confirming some lands on the basis of *Kayamgutta* or permanent tenure. During the British administration of Mysore from 1831 to 1881 alienations were few and far between and made only for specific performance of service, consisting in the upkeep of *chatras*, maintenance of groves, tanks, avenue trees and the like.

The revenue survey of 1863 necessitated the scrutiny of the various types of Inams. During 1863 skeleton Inam rules were framed. In 1866 an Inam Commission was formed for examining the various aspects of tenure. In 1872-73 the Inam Department was recognised with the Survey Commissioner as its head. Upto 1872 the determination of the value of the Inams for purposes of enfranchisement followed the Madras Inam rules and was based upon the old assessments recorded in Purnaiah's *Jodi Inam* accounts. After the Rendition in 1881, the Inamdars complained of certain hardships and on careful examination, title deeds were issued to the Inamdars. There were *Kodagi*, *Kayamgutta*, *Dharamadaya*, *Brahmadaya*, *Devadaya*, personal, service and miscellaneous Inams in existence then. The whole of Inam villages fell into three categories viz., Sarvamanya, Jodi and *Kayamgutta*. Sarvamanya villages were held free of all demands and only cesses on the recorded value was recovered from the holders. Jodi villages are those held on a light assessment. *Khayamgutta* grants were tenures intended to promote cultivation under the incentive of a permanent assessment on the then existing revenue. The *Khayamgutta* villages were granted mostly between 1810 and 1813 on *shraya* tenure for improvement of land. Inams confirmed as *Khayamgutta* were hereditary and transferable.

A series of commissions were formed between 1886 and 1932 to examine into the vexed problem of Inam lands. There was a general feeling that the actions taken by the Government on the recommendations made by these enquiry panels had not resulted in any substantial improvement in the condition of the farmers of Inam villages and complete abolition of Inams was urged in the legislature. A Committee was appointed in 1948 to enquire into the question of Inams. Based on the recommendations of the Committee, the Mysore (Personal and Miscellaneous) Inams Abolition Act 1954 and the Mysore Religious and Charitable Abolition Act 1955 were passed.

Remissions.—There were no specific rules prior to 1922 in the old Mysore area and when occasions for grant of relief did arise in 1908-09

the Government had passed special orders. The first rules regarding grant of suspension and remissions on account of adverse seasonal conditions were issued in 1922. These rules were mainly based on the Bombay system and applied only to irrigated lands. The suspended assessment was to be collected during the following year, unless there was a failure of crop in that year also. For the first time, provision for revision of assessment of dry lands was incorporated in the Remission Rules in the year 1939. These rules authorised the Deputy Commissioner of the district to grant suspension of one fourth of the assessment, if there was partial or total failure or destruction of crops throughout any tract on account of drought or other causes. The suspended revenue was normally collected in the following year along with the assessment of that year too and remitted altogether. The Remission Rules were later suitably revised from time to time.

As per the Karnataka Land Revenue Rules 1966, when the Deputy Commissioner has ascertained by entries that there has been a partial or total failure of crops on account of drought or any other cause, he shall conduct cropcutting experiments in such tracts to determine the average crop-wise yield per acre. The Thasildars in the district shall also conduct crops cutting experiment in atleast five per cent of the villages in the tract.

If the average crop-wise yield per acre is 37 per cent and not less than 35 per cent, the collection of land revenue may be suspended in full; if it is above 37 per cent but less than 50 per cent of land revenue may be suspended; and where yield is more than 50 per cent collection of land revenue shall not be suspended. Consequently, where collection of land revenue has been suspended, it shall be collected in the following extent—one year's land revenue if the average crop-wise yield per acre in the year of collection is 75 per cent or more; and 62 per cent or one year's collection of land revenue if such crop-wise yield in the year of collection is less than 75 per cent and no collection of suspended land revenue if it is less than 62 per cent. When the collection of the land revenue has been suspended for a specific period and cannot be collected in the succeeding year on account of the average crop-wise yield being 37 per cent but not less than 25 per cent, the payment of such land revenue shall be remitted in the third year. The suspended land revenue which cannot be remitted in accordance with the sub-rule shall be remitted in the fourth year. The Karnataka Government in its order dated 3rd September 1977 exempted the land holdings of upto two hectares of rainfed dry land from payment of land revenue charging a nominal fee of rupee one towards maintenance of records. On October 18th 1980 exemptions from payments of land revenue was extended to the holdings of four hectares of rainfed dry lands or its equivalent of rainfed wet land under Land Reforms Act.

**Statement showing the Demand, Collection and Balance of
Revenue in the district from 1983-84 to 1986-87**

| <i>Year</i> | <i>Demand</i> | <i>Collection</i> | <i>Balance</i> |
|-------------|---------------|-------------------|----------------|
| 1983-84 .. | 9,89,54,857 | 4,06,92,763 | 5,82,62,094 |
| 1984-85 .. | 12,64,02,754 | 5,95,61,812 | 6,68,40,942 |
| 1985-86 .. | 7,04,19,671 | 96,03,044 | 6,08,16,627 |
| 1986-87 .. | 7,39,19,141 | 2,30,38,339 | 5,08,83,802 |

Land Acquisition.—The Land Acquisition Act (Central Act I of 1894) as extended to Karnataka under the Land Acquisition (Karnataka Extension and Amendment) Act, 1961, is the basic law governing acquisition of land by Government for public purpose. The Karnataka Industrial Areas Development Act, 1966, and the Karnataka Acquisition of Land for Grant of House Sites Act, 1972 contain provisions for acquisition of lands.

LAND REFORMS

Land Reform programmes were undertaken all over the country in the wake of independence in agreement with the slogan "Land to the Tiller" with the object to create conditions for evolving as speedily as possible an agricultural economy with high levels of efficiency and productivity, to eliminate all elements of exploitation and social injustice with the agrarian systems, to provide security for the tiller of the soil and assure equality of status and opportunity to all sections of rural population.

These objectives were to be achieved by (a) abolition of intermediary or rent receiving tenures, (b) reform of tenancy through regulation and reduction of rent and security of tenure, (c) Conferment of right of ownership on tenants and (d) reduction of disparities in the ownership of land by imposition of a ceiling on holding. The Mysore Tenancy Act 1952 laid down that all leases should run for a minimum period and that permanent tenants or persons who held land continuously for a period exceeding twelve years could be evicted only on the ground that the landlord required the land for personal cultivation. The maximum rent fixed by or under the law also varied. The total payment to be made by a tenant as rent and Government dues was limited to 1/6th of the produce. The reasonable rent was subject to a maximum limit fixed in terms of land revenue.

Before the enactment of the Mysore Tenancy Act 1952, the right of tenants were regulated by the Mysore Land Revenue Code of 1888. The Code recognised only two classes of tenants with permanent rights, namely, Kadim tenants in alienated lands (Inam lands) and permanent tenants in both alienated and unalienated lands. Permanent tenants were those who held land from antiquity or who were in continuous possession for a period

of more than twelve years and who exercised the right of transfer. Kadim Tenants were those who paid only land revenue.

The Mysore Tenancy Act 1952 and the rules thereunder gave a small measure of security for a further period of five years to continue in the same land to certain tenants who were in possession at the commencement of the Act, and were liable to ejection at the end of the five year period unless the landlord allowed them to continue. Tenants who had been in continuous possession for a period exceeding twelve years before 1st April 1951 were given further security inasmuch as the landlord could eject them on the ground of personal cultivation only from a part of their holding. The landlord could resume half the area of a tenant holding ten acres or less; in the case of tenants holding more than 10 acres 50 to 75 per cent of the tenancy area.

However these kinds of tenants were liable to ejection on the grounds of sub-division of land, subletting, failure to cultivate, leaving it fallow, using it for non-agricultural purposes, failure to pay rent or on causing destruction or permanent damage to the land.

The Mysore Tenancy (Second Amendment) Bill 1954

The Government of the former State of Mysore had in October 1954 introduced in the legislature, a bill for amending the Mysore Tenancy Act 1952. The amended Act categorised three types of tenants *viz.*, Protected tenants—(a) who cultivated the land on their own and held continuously for for more than nine years before 1951; (b) Non-protected tenants who held land for not less than five years and (c) ordinary tenants.

The Jatti Committee which was set up in order to examine the existing tenancy and agricultural land laws and to make recommendations for a comprehensive land legislation submitted its report in September 1957 which finally resulted in the enactment of the Karnataka Land Reforms Act 1961. This Act came into force from 2nd October 1965. After drastic changes it was introduced on 1st March 1974. Under the amended, law Popular Court or people's court was created for each taluk during 1975. Land Tenure cases pending under the various Inams Abolition Acts were disposed off. No tenancy could be terminated merely on the ground that its duration whether by Government or otherwise has expired. Tenants who were cultivating the lands prior to 1957 but who had been dispossessed either by surrender or eviction were entitled for restoration of possession. Lands in excess of the twenty seven standard acres in the case of existing holdings were to be treated as surplus lands and vested with the Government. The ceiling area for future holdings was limited to eighteen standard acres. The Karnataka Land Reforms Act 1961 also provides for confirmation of occupancy rights even on homestead dwellers who have occupied bits of land for residential purposes.

A separate cell to assist tenants legally and financially has also been created wherein a Special Officer goes around the taluks, hear grievances, collects applications, processes them and entrusts them to the legal authority for remedy. The State Government has also introduced a scheme of financial assistance to grantees of surplus land which was being implemented through the DRDS till the formation of the Zilla Parishads.

Land Tribunals

Land Tribunals which are the main implementing machinery of Land Reforms have been formed in all the taluks of the district under Section 48 of the Karnataka Land Reforms (Amendment) Act 1973. The 1974 Act declared that every piece of land which was subjected to a lease as on 1st March 1974 stands vested in the Government. Those who had taken land on lease had to make applications to obtain occupancy rights on the land before the Land Tribunal. The Assistant Commissioner of the Revenue sub-division having jurisdiction over the taluks is its Chairman and the Tahsildar of the taluk or the Special Tahsildar for Land reforms its Secretary. The duties of the Tribunal are to make necessary verification or hold an enquiry and pass orders in cases relating to registration of a tenant as an occupant, to grant occupancy rights to eligible tenants, to decide whether a person is a tenant or not, to grant surplus land to the weaker sections among the categories of landless labourers, displaced tenants etc., and to perform such other duties as imposed on them. The order of the Tribunal is final. No legal practitioner is allowed to appear before the Tribunal. If any party is aggrieved with the Tribunal's order, all that he can do is to approach the High Court and not any lower courts.

Presently Land Reform Appellate Tribunal has been formed in each district of the State including Mysore with effect from 26th May 1986 under Section 116 (A) of the Land Reform Act 1961. It consists of two members, one from the Judiciary and another from the Revenue Department to decide such cases of Land Tribunals. All cases that were pending in the High Court have been remanded to this authority. They have been functioning from Mysore and Nanjangud, the former having jurisdiction over Mysore, T. Narsipur, K. R. Nagar, H. D. Kote, Hunsur and Periyapatna taluks, and remaining taluks being under Nanjangud. The Mysore Appellate Tribunal received 548 applications by the end of November 1987, of which 188 were settled and 96 were rejected. The respective figures for Nanjangud Tribunal were 462, 55 and 53.

Allotment of surplus land

The surplus land which vests with the Government consequent on the imposition of ceiling may be allotted by the Tribunal in the following order of preference. (1) Landless agriculturists, agricultural labourers and displaced tenants having no land—not less than one basic holding each (i.e., minimum area needed for profitable cultivation); (2) Tenants and displaced

tenants with less than a basic holding and owner cultivators with less than a basic holding; (3) Tenants and displaced tenants with less than a family holding; (4) Other persons desiring to take up personal cultivation. The allottee may be allowed to pay the cost of the land and interest to the Government in annual instalments not exceeding fifteen or in a lumpsum. The table on page 517 presents details about the performance of the Land Tribunals in the district.

Consolidation of Holdings

In order to remedy the excessive fragmentation of lands which has taken place on account of law of succession on economic necessities of the persons concerned, a uniform measure to consolidate the holding and prevent further fragmentation of land called the Mysore Prevention of Fragmentation and Consolidation of Holdings Act, 1964 was adopted. As per the provisions of this Act, a holding of lesser extent than the appropriate standard area determined under Section (3) of the Act which is not profitable for cultivation is considered a fragment. The unit of standard minimum area varies from half an acre to four acres according to the classification of lands. Also any unit of land which is not profitable for cultivation is regarded as a fragment. No person can dispose of such a fragment to any one other than the contiguous holder. It cannot be even divided or partitioned. In addition, the Act provides for the consolidation of holdings in respect of the existing fragments. In the scheme of consolidation, there is provision for compensation to the owner. Every person to whom a holding is allotted according to the consolidation scheme gets a certificate of transfer without any stamp duty or registration fee.

Religious and Charitable Institutions

The Religious and Charitable institutions in the State are still governed by the pre 1956 Acts which were in force in the integrated areas prior to the State's Reorganisation. The Mysore Religious and Charitable Institutions Act, 1922 were operative in the Old Mysore area as no common law relating to Endowments had been enacted. The Deputy Commissioner of the district who is also the Muzrai officer is the principal authority to implement the provisions of the Act. He is the controlling authority of all the Muzrai institutions in the district and subject to his authority, the Assistant Commissioner of the Sub-division or the Tahsildar of the taluk may perform such duties and exercise such powers as may be conferred upon them by the Government. There are three types of institutions—the major muzari institutions, minor muzrai institutions and village institutions. Muzrai Establishment Fund contributions are collected from major and minor institutions at the rate of 8 per cent and 5 per cent respectively on their income.

Consequent to the abolition of Religious and Charitable Inams under the Inams Abolition Act laws, many Inam institutions have lost lands. Like-wise, under the provisions of the Mysore (Religious and Charitable)

Land Tribunal in Mysore District (Statistics as on August 1986)

| <i>Particulars</i> | <i>Chama- rajanagar</i> | <i>Gundlu- pet</i> | <i>H.D. Kote</i> | <i>Hunsur</i> | <i>Kolle- gal</i> | <i>K.R. Nagar</i> | <i>Mysore</i> | <i>Nanjan- gud</i> | <i>Peria- patna</i> | <i>T. Narasi- pur</i> | <i>Yelandur</i> |
|---|-----------------------------|------------------------|----------------------|---------------|-----------------------|-----------------------|---------------|------------------------|-------------------------|---------------------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1. No. of cases admitted to the Land Tribunal. | 2465 | 2516 | 1785 | 1823 | 3381 | 4619 | 4873 | 7542 | 1285 | 3812 | 1895 |
| 2. No. of cases settled : | | | | | | | | | | | |
| (a) in favour of tenants | 874 | 1048 | 499 | 848 | 1098 | 2781 | 3540 | 4776 | 487 | 3812 | 994 |
| (b) Landlords .. | .. | .. | 643 | .. | .. | .. | .. | .. | .. | .. | .. |
| (c) Rejected .. | 1450 | 1458 | 643 | 975 | 2283 | 1825 | 1333 | 2698 | 795 | 1379 | 856 |
| 3. No. of cases referred to High Court | 241 | 248 | 131 | 152 | 237 | 470 | .. | 596 | 281 | 536 | 162 |
| (a) By Land Tribunals | .. | .. | .. | .. | .. | .. | .. | .. | .. | 4 | .. |
| (b) Tenants .. | .. | .. | .. | .. | 64 | .. | 529 | .. | .. | 211 | .. |
| 4. No. of cases pending in the High Court * | 92 | 37 | .. | .. | .. | .. | .. | 328 | .. | .. | 54 |
| 5. Total area of land allotted to tenants (in acres). | 36.28 | 4.10 | 1740 | 1909.05 | 1240 | 2510.19 | 8450 | 327.01 | 1756.00 | 4712 | .. |
| 6. Land allotted to | | | | | | | | | | | |
| (a) S.Cs. .. | 19.36 | 4.10 | .. | 43.17 | .. | .. | .. | 245.32 | 60.15 | .. | .. |
| (b) S.Ts. .. | .. | .. | .. | 121.34 | 27.84 | .. | 14.27 | 16.00 | 12.30 | 35.00 | .. |
| 7. Surplus land available for distribution. | 36.28 | .. | .. | .. | 27.84 | .. | 44.15 | 327.01 | .. | 76.03 | .. |
| 8. No. of SCs. and STs. as recipients of surplus lands. | 19 | 2 | .. | 72 | 11 | .. | 12 | 102 | 29 | 20 | .. |

* These have now been transferred to District Appellate Tribunals.

Inams Abolition Act 1955, Tasdik Allowance is being paid to such institutions in lieu of Inam lands lost by them. This is payable every year as long as the institutions exist. Tasdik is fixed taking into consideration the average of five years' annual income. The Religious and Charitable Institutions which have lost their lands under the provisions of the K.L.R. Act 1961 are being paid annuity in lieu of land lost by them. The Endowments Commissioner is the competent authority to issue title deeds for annuity while the Special Deputy Commissioner is the authority who fixes the Tasdik allowance.

TAXES OTHER THAN LAND REVENUE

Government derives its revenue through taxation, its share in Central taxes etc. The taxation policy of a state is to raise increasingly the tax resources wherever there is scope, to improve the existing taxation measures and to tap new sources of revenue. These have resulted in the multifaceted tax structures in excise, commercial taxes, stamp duties, motor vehicles etc. Modifications in the rate structure have also been made from time to time.

Commercial Taxes

The Commercial taxes department is a major contributor of revenue to the State exchequer. It administers the following Acts.—(1) Karnataka Sales Tax Act, 1957. (2) Central Sales Tax Act, 1956. (3) Karnataka Entertainment Tax Act, 1958. (4) Karnataka Agricultural Income Tax Act, 1957. (5) Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976. (6) Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act 1976. (7) Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1979. (8) Mysore Betting Act 1932 (being administered by this Department from 1982).

Sales Tax

Of all the commercial taxes, sales tax which is the most broad based was introduced in 1948. The scheme of tax contained in the 1948 Sales Tax Act was largely based on the Madras pattern. It was a single-point levy which ranged from 4% to 6% on certain items and a multi-point levy on some other items. In 1949 the tax on motor spirits was separated from the general sales tax and was levied under a specific enactment. In 1954 on the recommendations of the Sales Tax Enquiry Committee, 43 Commodities were brought exclusively under single point levy. After the States Reorganisation in 1956 the Mysore Sales Tax Act, 1957 consolidated the different sales tax laws and forged a uniform Act throughout the State. In 1969 the Taxations and Resources Committee suggested various recommendations on tax matters which were implemented by the Government by 1971.

The existing schemes of Sales Tax is a composite single point and multi-point taxation system. A single-point tax is levied at only one stage in the

series of transaction through which the commodities pass from the producers, importers, manufacturer and to the final customer, whereas multi-point tax is levied at every stage it passes through the hands of a dealer liable to tax. A total of 178 goods out of the 293 main goods are brought under the single-point while the others are subjected to multi-point. Majority of the goods of common use collect Sales tax at the rate of 4 per cent and semi-luxury goods at more than 8 per cent and the more expensive goods (like automobiles, electronic appliances, etc). are taxed at 15 per cent and liquors at 25 per cent. A surcharge on sales tax at 10 per cent was introduced under Section 6 of the Karnataka Sales Tax Act 1957 with effect from 27th March 1979.

The Central Sales Tax Act of 1956 has also enabled the State Governments to raise additional revenues by levying tax on inter-state Sales. The C.S.T. is leviable on a multi-point basis. Under the Acts a dealer whose annual total turnover is Rs. 25,000 and more is required to register himself by paying a registration fee of Rs. 50 and the taxable minimum limit has also been fixed at Rs. 25,000 and the dealer whose total annual turnover in a year in Rs. 25,000 or more is liable to be taxed on their taxable turnover.

Statement showing the number of assessees under KST and CST and the amount collected for the year 1982-83 to 1986-87.

| Year | KST | | CST | |
|------------|----------------------|---|----------------------|---|
| | No. of regd. dealers | Amount of KST collected (Rs. in crores) | No. of regd. dealers | Amount of CST collected (Rs. in crores) |
| 1 | 2 | 3 | 4 | 5 |
| 1982-83 .. | 25,079 | 14.17 | 6,686 | 4.78 |
| 1983-84 .. | 19,888 | 14.10 | 5,314 | 4.07 |
| 1984-85 .. | 19,518 | 14.03 | 5,704 | 3.47 |
| 1985-86 .. | 18,859 | 16.52 | 5,836 | 4.22 |
| 1986-87 .. | 19,138 | 19.80 | 6,632 | 4.60 |

The Karnataka Entertainment Tax Act 1958

Till December 1958, the Mysore Amusements Tax Act and the Mysore Cinematograph Act was being administered by the Revenue and Police Department respectively. From 1st January 1959, a comprehensive Tax Act applicable throughout the State of Karnataka came into force. The law provides for the levy of Entertainment Tax on the rates of admission to cinema shows and horse race. Drama, music performance and other amusements are outside the purview of the Act. A surcharge of 25 per cent on Entertainment Tax and show tax was introduced in 1962 on the recommen-

dations of the Resources and Economy Committee with a view to increasing the resources of the State. In 1966 this surcharge was raised to 10 per cent with the intention of subsidising the production of films in the State. The surcharge on show tax was incorporated in the showtax itself when the rates were raised in 1966. It was later increased to 60 per cent in 1971 and thereafter to 100 per cent from 1st April 1974. Ninety per cent of the entertainment tax proper (exclusive of show tax and surcharge) is assigned to the local bodies in whose jurisdiction the tax is collected. The balance of 10 per cent is retained by the State Government as a service charge for collection of tax.

Entertainment Tax (Amount in lakhs of Rs.)

| <i>Year</i> | <i>No. of permanent theatres</i> | <i>No. of Touring Talkies</i> | <i>Entertainment tax</i> | <i>Surcharge</i> | <i>Show Tax</i> | <i>Addl. Tax</i> | <i>Health Cess</i> |
|-------------|----------------------------------|-------------------------------|--------------------------|------------------|-----------------|------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1982-83 | 106 | 206 | 197.94 | 159.67 | 34.51 | 18.26 | 4.71 |
| 1983-84 | 90 | 178 | 195.54 | 154.97 | 43.25 | 0.51 | 6.22 |
| 1984-85 | 96 | 169 | 19.90 | 157.32 | 41.09 | 0.22 | 2.63 |
| 1985-86 | 97 | 164 | 222.17 | N.A. | 0.51 | 1.77 | 3.04 |
| 1986-87 | 100 | 164 | 236.11 | 175.66 | 48.31 | 0.63 | 3.14 |

Agricultural Income-Tax

Agricultural Income Tax is levied on land which is used for growing commercial crops. The Agricultural Income tax was in existence in all parts of the new Mysore state. A consolidated Act repealing the old acts came into force in October 1957. Under this Act agricultural income derived from 31 commercial crops including seven plantation crops (irrigated) grown as the main crops and timber is made taxable. In order to have equality in the levy of tax, land has been classified into eight classes and tax is leviable only on incomes from land which is more than fifty acres of eighth class of land. For deriving taxable income expenses on agricultural operation, depreciation, machinery, crop insurance etc. have been allowed and a ten per cent relief on earned agricultural income was also given.

From the financial year 1976-77 as per the Karnataka Agricultural Income Tax Amendment Act 1976 all agricultural income was taxable but liability arose only if the net income exceeds Rs. 8,000. In case of non-plantation crops the exemption limit was fixed in terms of the extent of the holding. The earned agricultural Income relief was done away with and the exemption relief has been raised.

The Agricultural Income Tax Act 1957 was amended by the issue of the Karnataka Agriculture Income Tax (amendment) Act 1983 and only the

income derived from plantation crops was subject to tax from the previous year ending 31st March 1982. The exemption limit for taxable income under the Act was also raised from Rs. 8,000 to Rs. 14,000 per annum. The Commercial Tax department is responsible for the administration of the Agricultural Income Tax.

Since only plantation crops came under the purview of Agricultural Income Tax and the number of cases in Mysore district is 400, revenue of Rs. 49.72 only lakhs has been realised during 1986-87.

Profession Tax

The basis of levy profession tax is on classification of the assessee according to income. The 1906 Act was the earliest Act to empower the municipalities to levy this tax. The Mysore Municipalities Act 1964 classified assessee into nine classes on the basis of income. The Tax Enquiry Committee 1954 recommended that the levy of this tax at a suitable minimum rate should be compulsory as a source of revenue to the Government.

The Karnataka Tax on Profession, trade, callings enforces the Employments Act 1976 which came into effect from 1st April 1976 provides for levy of tax on all the above categories. The tax in respect of salaried employees is dependent on salary and the tax in respect of others engaged in professions, trades and callings is dependent on factors like the standing in the professions turnover, number of employees etc. All salaried persons/wage earners whose income per month is Rs. 2,000 and above have to pay profession tax at source at the existing slab rate. The self-employed engaged in specific professions, trade or calling have to register themselves under the Act and the tax has to be paid at the rate fixed annually before 30th September. The number of assessee and the total income derived in the district from this levy has been : 1982-83 : 26,000/Rs. 97.70 lakhs ; 1983-84 : 24,763/Rs. 66.71 lakh ; 1984-85 : 23,177/68.34 lakhs ; 1985-86 : 16,582/Rs. 78.78 lakhs ; and 1986-87 : 17,000/Rs. 106.65 lakhs.

Luxury Tax

The Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act 1979 which came into effect from 1st June 1979 provides for levy of tax in respect of hotels and lodging houses who charge a tariff of Rs. 30 or more per day per person at the following rates : (a) where the lodging fee per person per day is Rs. 20 but does not exceed Rs. 50 : 5 per cent of such charges ; (b) where the lodging fee is Rs. 50 but less than Rs. 100 :-7½ per cent of such charges ; (c) Rs. 100 and above 10 per cent of such charges. Collection from the district during some recent years has been as follows (amount in lakhs of rupees) 1982-83 ; 5.50 : 1983-84 7.17 : 1984-86—9.90 ; 1985-86 : 18.03 ; 1986 87: 37.16.

Entry Tax

Octroi has traditionally been a source of municipal revenue and the State Government by enactments relating to local bodies preferred to

empower urban local bodies to levy and collect this tax. The town panchayats, Municipalities and Corporation were collecting this tax on certain goods, entering the local area for consumption, use or sale which have been included in the octroi schedule. The Taxation Enquiry Commission considered a better form of taxation without much sacrifice of revenue *viz.*, a terminal tax and a surcharge on Sales Tax.

Octroi was abolished in April 1979 and in its place the Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act of 1979 was introduced to compensate the loss of revenue. A levy of 10 per cent surcharge on Karnataka Sales Tax was introduced. Textiles, tobacco and sugar which were outside the purview of sales tax were subjected to octroi levy. Hence it was proposed to tax them in local areas at the rate ranging from 1 per cent to 2 per cent. Accordingly the above Act was brought into effect initially from 1st June, 1979, but later the enforcement was postponed to 1st October 1980. The list of commodities included for levy was extended to 13 items during 1982-83 and the rate of tax also increased in respect of sugar, tobacco and its products. Since October 1983 ten more items have been listed in the Act for levy of entry tax. The total collection from the district during recent years has been (Rs. in lakhs), 1982-83 : 96.59 ; 1983-84 : 74.90 ; 1984-85 : 132.52 ; 1985-86 : 176.06 ; and 1986-87 : 159.18.

The Mysore Betting Tax Act 1938.—The administration of the Act was transferred to the Commercial taxes department from 14th January 1982. Prior to the introduction of this Act, it was being administered by the Revenue Department. The Mysore Race Club comes under the purview of this Act. It was incorporated under Companies Act 1956 on 20th April 1968 conducting races under the BTC Rules of racing. The revenue realised by way of taxation for the past five years were : (in lakhs of rupees) 1982 : 52.24 ; 1983 : 52.14 ; 1984 : 52.78 ; 1985 : 57.79 ; and 1986 : 50.87.

Stamps and Registration

In 1828 the Maharaja's Government introduced a stamp Law which brought a revenue of only a few thousand rupees. In 1835 with a view to prevent the production of forged documents in suits or commercial transactions New Stamp Paper Regulations were issued. It was directed that all bonds, bills of sale, agreements, transfer, deeds and other documents should be executed on stamped papers of a fixed value. In 1867 two enactments were made one for stamp and the other for court fee. In 1900 the Mysore Stamp Regulation was introduced which embodied all the amendments passed earlier.

At present there are twelve registry offices in the district. The main function of the Registration Department is to register the documents relating to the immovable properties in the jurisdiction of the Sub-Registrar and maintain its records. The stamp revenue has steadily progressed owing to

the enhancement of rates of the duties payable under the Stamp and Court Fee Regulation. Each office headed by a Sub-Registrar at the taluk level administer the following Acts and Rules: (1) Registration Act 1908, (2) Karnataka Registration Rules 1965, (3) Karnataka Stamp Act 1967 and Rules, (4) Karnataka Court Fees and Suits Evaluation Act 1958 and the rules thereunder and (5) Indian Partnership Act 1932. At the district level the Special Deputy Commissioner acts as the ex-officio District Registrar. The Sub-Registrar apart from the work of registration of documents of immoveable properties is also the Registrar of Marriages under the various Marriages Act that are in force in the district. Statistics on the performance of these offices are presented hereunder:

Statement showing the category-wise number of registered documents—their income and expenditure in Mysore district.

| <i>Particulars</i> | 1975-76 | 1981-82 | 1982-83 | 1983-84 | 1984-85 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| No. of Registry offices: | 11 | 11 | 11 | 11 | 11 |
| Total No. of registrations | 48,601 | 23,995 | 24,310 | 25,869 | 29,432 |
| a. Immoveable property | 47,679 | 22,519 | 22,800 | 24,119 | 27,733 |
| (i) Compulsory | 47,679 | 22,59 | 22,800 | 24,119 | 27,733 |
| (ii) Optional | 24 | 67 | .. | .. | .. |
| b. Moveable property | 430 | 568 | 567 | 663 | 624 |
| c. Wills and adoptions | 468 | 901 | 943 | 1,087 | 1,075 |
| Total of ABC | 48,601 | 23,95 | 24,310 | 25,869 | 29,432 |
| Total receipts (in Rs.) | 17,43,376 | 13,37,312 | 27,11,708 | 28,62,349 | 33,00,464 |
| Total expenditure | 4,83,003 | 8,89,997 | 10,44,568 | 10,92,800 | 12,74,64 |

Excise

The State Excise brings a substantial portion of the revenue to the State exchequer. Revenue from the State excise is derived mainly from duties levied on manufacture of spirit at the distilleries or bonded warehouses, on imports of liquor, licence fees on wholesale and retail vendings, bars, hotels, shop rentals by auction of arrack and toddy shops, fees levied on all liquor other than toddy and denatured spirit, export fee on exports of denatured spirit, tree tax, tree rent, penalties for illegal manufacture, transport, export and import, illegal tapping or bottling, illegal possession, misconduct of licensees and in contravention of any of the rules framed under the Act.

For the realisation of revenue, the following Acts, enactments, rules and orders are in force. (i) **State Acts**: (a) The Karnataka Excise Act 1965; (b) The Karnataka Prohibition Act 1961 and the Rules framed under the above Acts. (ii) **Central Acts**: (a) The medicinal and Toilet

Preparation Act 1955; (b) The Dangerous Drugs Act, 1930; (c) The Opium Act 1878; (d) Ethyl Alcohol (price control) Order 1971; and (e) The Molasses Control Order and the Rules framed under the above Acts.

The department exercises control over the Distilleries and breweries, bonded warehouses, pharmaceutical units etc. relating to the production, manufacture, possession, import-export, purchase, transport and sale of liquor and intoxicating drugs.

**Statement showing the collection of Excise Revenue of Mysore District
From 1981-82 to 1985-86.**

(Amount in lakhs of Rs.)

| <i>Particulars</i> | 1981-82 | 1982-83 | 1983-84 | 1984-85 | 1985-86 |
|---------------------------------------|---------|---------|---------|---------|---------|
| 1. Duty on Arrack | 67.07 | 71.90 | 87.78 | 92.96 | 95.37 |
| 2. Sale of Arrack | 47.17 | 48.69 | 47.67 | 49.44 | 47.65 |
| 3. Arrack shop rentals | 399.35 | 416.31 | 418.30 | 45.04 | 432.48 |
| 4. Toddy shop rentals | 187.25 | 181.27 | 243.40 | 305.67 | 365.21 |
| 5. Tree Tax | 2.96 | 1.19 | N.A. | N.A. | 5.60 |
| 6. Beer Duty | 2.67 | 10.80 | 15.47 | 15.42 | 7.15 |
| 7. Licence fee on foreign liquor | 19.34 | 2.01 | 30.29 | 32.09 | 37.78 |
| 8. Duty on Indian made foreign liquor | 11.71 | 54.40 | 51.72 | 82.21 | 1.96 |
| 9. Rectified Spirit | 0.62 | 0.43 | 0.96 | 2.84 | 12.55 |
| 10. Denatured Spirit | 0.06 | 0.01 | 0.20 | 2.3 | 0.03 |
| 11. Service and Service fees | 1.32 | 1.52 | 2.18 | 2.54 | 4.34 |
| 12. Fines & Confiscation | 0.25 | 1.12 | 0.60 | 3.57 | 73.4 |
| 13. Interest on arrears of Revenue | 2.53 | 5.02 | 5.63 | 4.19 | 6.06 |

Motor Vehicles Tax

Taxes on motor vehicles were first imposed in 1974. The levy took the form of a registration fee which varies with the nature of the vehicle and its horse-power. From 1925 motor buses and taxi cabs were subjected to an additional levy of a permit fee which varied with the distance covered in the case of buses. Consequently with this levy, municipalities imposed a tax on vehicles plying in their jurisdictions. Tolls were also levied by Municipalities and District boards. The income from motor vehicles tax reserves was spent on road development. The rates of tax were substantially enhanced in the Mysore Road Traffic and Taxes Act, 1935 and the Mysore Motor Vehicles and Road Traffic Act 1944. These Acts prohibited the

levy of motor vehicle taxes and tolls by municipalities. The Mysore Motor Vehicles Taxation and Tolls Act of 1951 once again raised the rates of motor vehicles taxes. In 1953 the maximum permissible rates of taxes were also raised. Till the time of reorganisation upto 1956, there were no uniformity in motor vehicle taxations. The Mysore Motor Vehicles Act of 1957 was therefore introduced to provide a uniform law governing the taxation of motor vehicles in the new State of Mysore. The rates of tax under this Act are related to the horse power in the case of motor vehicles, unladen weight in the case of motor cycles, laden weight in the case of goods vehicles and the number of passenger in the case of passenger vehicles. Presently the Motor Vehicles Department with the divisional office at Mysore administers the following Acts and Rules. (1) Motor Vehicles Act 1939 (Central Act 4 of 1939), (2) Karnataka Motor Vehicles Taxation Act, 1957, (3) The Karnataka Motor Vehicles Rules Taxation 1963 and (4) The Karnataka Vehicles Taxation Rules, 1957.

Revenue realised by the Regional Transport Office, Mysore, for the years 1982-83 to 1986-87 (in lakhs of rupees): 1982-83, 210.56; 1983-84: 229.78; 1984-85: 275.38; 1985-86: 321.76 and 1986-87: 525.31.

Electricity Tax

A tax on consumption of electrical energy was first introduced in June 1950 at the rate of 10 per cent on the tariff rates on (i) Street lights in cities, minor Municipalities and Village Panchayats, (ii) Flour mills, photographic studios and other industries (iii) Cinema Installations, (iv) Textile Mills and other industries having separate tariff rates for day and night supply and (v) Power to major industries under special agreements. This tax was subsequently raised to 20 per cent from 1st April 1954. However there was no tax in Mysore on domestic lights, fans and appliances earlier. The rates of taxes varied from 0.7 paise per unit to 2 paise per unit of energy consumed for different classes of consumers.

A uniform rate schedule in replacement of the varying rates of tax was introduced in accordance with the provisions of the Mysore Electricity (Taxation on Consumption) Act 1959. By virtue of notifications issued under the Act different rates are levied for different classes of consumers. The units of energy supplied to a consumer is taxed by a system of meter reading, pre-determined formula rate schedule, flat rate etc. Electricity tax is collected and paid to Government by the Karnataka Electricity Board. The collection figures for some recent years from the district have been as follows :

| | (Rs. in lakhs) |
|---------|----------------|
| 1984—85 | .. 137.87 |
| 1985—86 | .. 178.09 |
| 1986—87 | .. 200.02 |

Forest Development Tax

The levy of Forest Development Tax is covered under the Karnataka Forest (Amendment) Ordinance, 1975 which came into effect from 24-12-75. Earlier it was levied under the Karnataka Forest Act 1963. The Forest Development Tax is levied at 5 per cent in respect of certain forest produce like bamboos, reeds, canes, sandalwood etc., disposed off by the Government by sale. Subsequently it has been enhanced to 8 per cent and to 12 per cent in 1983. The amount collected through this taxation is utilized for development of forests by the Forest department. The amount collected (in Rs.) annually for some recent years has been as follows :

| | | |
|---------|----|-------------|
| 1984—85 | .. | 94,86,074 |
| 1985—86 | .. | 2,13,78,706 |
| 1986—87 | .. | 3,28,39,665 |

CENTRAL TAXES**Central Excise and Customs : Sayer Duty :**

Before the year 1831 when Mysore came under the British rule, nearly 550 articles including cattle, foodgrains, cotton, pepper etc. were subject to the payment of a duty called the 'Sayer' duty. The articles that were liable to pay sayer duty paid that duty whether consumed in the State or exported outside and the duty was levied as an excise, a transit or an export duty according to the destination of the article on which it was levied. The transit duty was later abolished and the number of articles liable to the payment of duty was reduced from time to time. Excise was a General word for toll or tax. Subsequently it was meant to be the price of the article paid by the consumer. The beginning of Excise System in India may be said to have been made in 1894 with a levy on cotton yarn and its extension to finer cloth in 1895. Later excise duty was imposed on motor spirits in 1917, on Kerosene in 1922 and on silver in 1930. In 1934 rationalization of excise levy was made as a revenue measure and extended to other commodities like sugar, matches, steel etc. The Central Excise Duty now (1987) covers abouts 136 items accounting to nearly 2/3rds of the Central Excise revenue. Central Excise duty however is collected under the Central Excise and Salt Act and Rules 1944 which came into effect from 28th February 1944. Central Excise revenue is realised by the enactment of Basic Excise Duty, Special Excise Duty, Additional Excise Duty, Handloom Cess, Cess on tea, cotton and oils, copra, jute and jute products, indigeneous crude oil, cess on paper, sugar, bidis etc.

In addition to the above Acts the Central Excise Department also exercises the Conservation of Foreign Exchange and Preservation of Smuggling Activities Act 1957 and the administration of the Gold Control Act 1968 which was previously covered under the Defence of India Rules. Revenue realised in the division including Mandya and Mysore districts

for the years 1983-84 to 1986-87 in crores of rupees as follows : 1983 : 38.98 ; 1984 : 38.92 ; 1985-86 : 65.74 ; and 1986-87 : 87.91.

Customs

Numerous industrial establishments in and around Mysore were availing the facility of warehousing under the provisions of the Customs Act, 1962 for the storage of imported raw materials, consumables, peripheral devices, engineering and electronic components etc. Owing to the substantial increase in the quantum and nature of Imports and Exports, a strong need was felt to functionally centralise the control over bonded warehouses with a view to facilitate prompt and speedy clearance of warehouses. Hence Customs range Mysore was formed on 1st August 1986.

Since the inception of Customs Range, Mysore (including Mandya district also) effective controls like transit checks, surveillance over suspected persons and places and searches for contraband goods are carried out as a preventive measure to curb smuggling activities. Further there has been a phenomenal increase in the quantum and variety of raw materials imported. The realisation of Import duty has also registered an appreciable increase. An amount of Rs. 2.34 crores was collected during the quarter June 1987 as against Rs. 75.91 lakhs realised during the corresponding period of the previous year.

The authority administering the taluks of Mysore district is the Assistant Collector of Customs, Customs division, Bangalore. A Superintendent of customs along with three Inspectors are stationed at Customs Range, Mysore to attend to Customs work pertaining to Mysore and Mandya districts. The total revenue realised during 1986-87 has been Rs. 5.95 crores and during 1987-88, Rs. 4.19 crores in the districts of Mysore and Mandya.

Income Tax

The Income Tax Act of 1961 was introduced with effect from 1st April 1962 on the recommendations of the Law Commission and the Tyagi Committee. The latest amendment to the Act is the Direct Taxes Amendment Act of 1987. This Act proposes to amend the Income Tax Act 1961, Wealth Tax Act 1957 and Gift Tax Act 1958. The Estate Duty Act was abolished and consequently no Estate Duty is payable in respect of Estate passing on death on or after 16th March 1985.

Income Tax is levied on the total income of a person. The term person and total income are defined in the Act. The tax rates are as provided in the relevant Finance Act. For the year 1986-87, in Mysore district, 16,754 cases were assessed for Income tax, the tax collected for the year being Rs. 17,24,22,000. **The Wealth Tax 1957** was introduced from 1st April 1957. Persons chargeable under this Act are individuals, Hindu undivided families and closely held companies. The total number of Wealth Tax assessees in the district for the year 1986-87 were 1,424 and the amount

collected was Rs. 39,94,000. **The Gift Tax Act 1958** which was introduced from 1st April 1958 covers individuals, Hindu undivided families, companies and certain other persons who are chargeable to Gift Tax on the gift made. The term gift has a wider meaning than the definition under the transfer of property Act. During the year 1986-87, there were 144 assesseees in the district and Rs. 2,64,000 were realised by way of Gift Tax.