Treasury is the foundation of a state says Kamandakiya. So finance is the most important item of local administration. In this chapter we shall discuss the sources of revenue. Local authorities have power to levy and collect taxes and fees from a number of persons. But their sources of income are inelastic. Apart from grants and loans, a local body obtains its income from two major sources, rates or taxes and fees.

Major Taxes: Before 1910, the Shillong Station Committee levied a tax on holdings at the rate of 7½ per cent on dwelling-houses and annas 4 (25 paise) per 100 square feet per month on shops and godowns - and a water rate, in European quarters at the rate of Rs.2/- per bibcock per month or 2 per cent of the monthly rental value whichever is greater, in Indian quarters Rs.1/- per bibcock per month; and on all houses not supplied with bibcocks 2 per cent on rental value. There was also a latrine fee at the rate of one rupee per privy per month.¹

After the formation of the Municipal Board the old rates mentioned earlier were continued.² In 1913-14,

1. A.R. Municipal 1905-06.
there were changes in water rates and latrine fees. As regards water rate the former distinction of higher charges for European quarters and lower for Indians was abandoned. A uniform rate of 2 per cent on the annual rental value plus Rs. 12/- for every tap, provided the total tax did not exceed 7½ per cent on the annual rental value. So far as latrine fee was concerned the old rate of Re. 1 per privy per month was abolished and in its place 2 per cent of annual rental value of holdings\(^3\) was levied.

In June 1915 the Government pointed out that the system of taxation at the rate of 4 annas (25 paise) per month per 100 square feet, on shops and godowns was in vogue since Shillong was constituted into a Station and that the Board did not have the power to impose a tax on the basis of the area of the shop. Therefore, the Government suggested that a rate not exceeding 7½ per cent on the annual rental value of the shops\(^4\) might be levied. Accordingly, the existing system of taxation on shops was abolished in January, 1916\(^5\). Again latrine fees were abolished and a latrine tax was levied on the annual rental value of holdings at the following scale:

---

(a) Houses whose annual rental value is under Rs. 12/- were exempted.

(b) Houses whose annual rental value was from Rs. 13/- to Rs. 25/- the tax was Rs. 1-8-0 (Rs. 1.50) per annum.

(c) Houses whose annual rental value was from Rs. 26/- to Rs. 100/- should pay Rs. 6-12-0 (Rs. 6.75) per annum.

(d) Houses whose annual rental value was from Rs. 101/- to Rs. 200/- should pay Rs. 10-8-0 (Rs. 10.50) per annum.

(e) Houses whose annual rental value was from Rs. 201/- to Rs. 450/- should pay Rs. 15/- per annum.

(f) Houses whose annual rental value was over Rs. 450/- should pay 4 per cent on the annual value of holdings per annum.6

As a consequence the receipts from latrine taxes which were Rs. 8,206 in 1914-15 increased to Rs. 11,531 in 1915-16.7

In August 1917, there was a proposal for the increase of Municipal taxes for the development of roads in the town but the Chief Commissioner Earle, said that the residents of Shillong were taxed at a higher rate than those of any other municipality in the province of Assam, and therefore the increase of rates would be most undesirable.8

In October 1919, the Municipality levied a tax on hotels and boarding houses on the basis of area of the building. In 1924 it was abolished in favour of general assessment on holdings at the rate of 7½ per cent on the annual rental value. It was also decided that no taxes should be imposed on traders or professions. Regarding licence fee it was Rs.2/- on iron wheeled hand carts and at Re.1/- on the ordinary hand carts. Licence fee was also collected from butchers and sweet meat sellers.

For the first time, the Municipal Board levied a lighting tax from 1st April, 1924, at the rate of 1½ per cent on the annual rental value of the holdings. The tax was increased to 3 per cent with effect from 1st April, 1927.

Regarding water rates there were some modifications. There was no change in water rate levied at the rate of 2 per cent on the annual rental value on holdings having water taps and 1½ per cent on holdings without tap, but the separate charge for each tap was

11. Ibid.
abolished from 1st April 1927. However, the charge for the supply of water to the holdings outside the municipal area at the rate of 4 per cent on the annual rental value of the holdings was not changed.\textsuperscript{14}

In 1928 Commissioner of the Surma Valley suggested an increase in the lighting and latrine tax to cover the cost of the respective services.\textsuperscript{15} But the Deputy Commissioner and the Chairman of the Board observed that the tax paying capacity of the Shillong rate-payers, majority of whom were clerks was limited, and therefore there should be no further increase in the incidence of taxation which was already the highest in the province.\textsuperscript{16} But the Board was directed by Government to increase the tax and the Board had to increase the water rate from 2 per cent to 3 per cent, latrine tax to 6 per cent and the lighting tax from 3 per cent to 4 1/2 per cent on the annual rental value of the holdings, from 1930-31.\textsuperscript{17} The Board for the first time replaced the latrine fees by a regular latrine tax under the provisions of Assam Municipal Act, 1923.

\textsuperscript{14} P.S.M., of 20.1.1927.
\textsuperscript{15} No.760-775, L.S.G.- B. September, 1930.
\textsuperscript{16} No.325-332, L.S.G.- B. September, 1929.
\textsuperscript{17} No.1126-1146, L.S.G.- B. March, 1933.
But the Minister K. L. Barua was not happy with the rate of taxation on lighting. He thought that this was due to the liberal terms allowed to the Hydro-Electric Company. He also observed that the Gauhati Municipal Board secured better terms from the Electric Corporation there, than the Shillong Board. As a result of this criticism the latrine tax was reduced from 6 per cent to \(4\frac{1}{2}\) per cent, lighting rate from \(4\frac{1}{2}\) per cent to \(3\frac{1}{2}\) per cent the water rate from 3 per cent to \(\frac{2}{5}\) per cent on the annual rental value of the holdings with water taps and 1 per cent on holdings without taps.\(^{19}\)

In 1933-34, there was a further reduction in the rate of general tax on holdings from \(7\frac{1}{2}\) per cent to \(6\frac{1}{2}\) per cent lighting rate from \(3\frac{1}{2}\) per cent to 3 per cent on the annual rental value of the holdings having water taps and \(\frac{1}{2}\) per cent on the holdings without taps. As a result of these reductions there was a fall in the income from taxation, by Rs.20,000.\(^{20}\) However, lighting rate was again increased by \(\frac{1}{2}\) per cent, i.e.; to \(3\frac{1}{2}\) per cent in 1934-35.\(^{21}\) In 1937-38, latrine tax was reduced by \(\frac{1}{2}\) per cent i.e.; from 6 per cent to \(5\frac{1}{2}\) per cent.\(^{22}\)

---

18. No.1126-1146, L.S.G.- B.March, 1933.
20. A.R. Municipal 1933-34.
1944-45, there was a general increase in the rate of these taxes. The tax on holding was raised from 6\(\frac{1}{2}\) per cent to 7\(\frac{1}{2}\) per cent, latrine tax was also raised from 5\(\frac{1}{2}\) per cent to 6\(\frac{1}{2}\) per cent and water rate was raised from 2 per cent to 3\(\frac{1}{2}\) per cent. But lighting tax was decreased to 2\(\frac{1}{2}\) per cent from 3\(\frac{1}{2}\) per cent.\(^{23}\)

In 1946-47, there was only a slight increase in the water rate from 1 per cent to 1\(\frac{1}{2}\) per cent in case of holdings without taps but it was again reduced to 1 per cent in 1949-50.\(^{24}\)

In the post independence period the general tendency is to give maximum relief to the rate payers at the cost of tax payers. In brief, the Commissioners count cheap popularity by reducing the rates and asking for more grants from the Government. Hence, Shillong Municipal taxation in early 1950s is the story of reduction alone. For instance, in 1949-50, latrine tax was reduced from 6\(\frac{1}{2}\) per cent to 4\(\frac{1}{2}\) per cent as a result of which there was a decrease in the revenue of the Board by Rs.26,714 under this head alone. Although there was a slight increase in the revenue of the Board by Rs.26,714 under this head alone. Although there was a slight increase in the

\(^{23}\) A.R. Municipal 1944-45.

\(^{24}\) A.R. Municipal 1949-50.
lighting rate from 4 per cent to 4.4 per cent in the same period. The position in 1952-53 was holding tax at the rate of 7.5 per cent, lighting rate at 6.5 per cent, water rate at 3 per cent latrine tax at the rate of 3 per cent were levied and collected. Thus lighting tax was again increased by 2 per cent since 1949-50.

Besides the above tax-revenues the Board also derived some non-tax revenues such as, rent and tolls from the markets, licence fees on animals, carriages and trades and fees from the display of sign boards.

Let us now take up the growth of income of the Municipality.

Table I

Income of Shillong Municipality (In rupees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income (excluding opening balance)</th>
<th>Incidence of tax per head</th>
<th>Incidence of Income per head</th>
</tr>
</thead>
<tbody>
<tr>
<td>1912-13</td>
<td>Rs. 70,148</td>
<td>Rs. 3-7-7</td>
<td>Rs. 5-15-0</td>
</tr>
<tr>
<td>1920-21</td>
<td>Rs. 1,16,844</td>
<td>Rs. 4-14-4</td>
<td>Rs. 7-3-11</td>
</tr>
<tr>
<td>1929-30</td>
<td>Rs. 1,79,904</td>
<td>Rs. 8-15-6</td>
<td>Rs. 10-14-3</td>
</tr>
<tr>
<td>1938-39</td>
<td>Rs. 2,07,624</td>
<td>Rs. 7-11-2</td>
<td>Rs. 9-8-5</td>
</tr>
<tr>
<td>1949-50</td>
<td>Rs. 3,95,408</td>
<td>Rs. 8-14-6</td>
<td>Rs. 10-12-0</td>
</tr>
<tr>
<td>1960-61</td>
<td>Rs. 7,38,886</td>
<td>Rs. 9-15</td>
<td>Rs. 13-32 Paise*</td>
</tr>
<tr>
<td>1970-71</td>
<td>Rs. 11,87,410</td>
<td>Rs. 9-91</td>
<td>Rs. 13-54 Paise*</td>
</tr>
</tbody>
</table>

It is clear from the above that the total income of the Board is increasing steadily. But the incidence of taxation per capita, it is more or less same. During the first decade the total income rose by 66.56 per cent; during the second decennial it increased by 53.96 per cent and during the third decennial it increased by 15.40 per cent. The percentage of increase of total

income during the period from 1938-39 to 1949-50 was 90.44 per cent and during the period from 1949-50 to 1960-61, the rate of increase was by 86.86 per cent, and from 1960-61 to 1970-71 the rate of increase was by 60.70 per cent. During the period from 1912-13 to 1970-71 the income of the Municipality rose from Rs.70,148 to Rs.11,87,410 which shows a 1592.72 per cent increase over the entire period. The per capita income has gone up from Rs.5.94 to Rs.10.75 in 1949-50. The per capita tax incidence and per capita income have shown a decline in the year 1938-39 below that of 1929-30.

The over-all picture is impressive so far as the income of the Board is concerned. The total income during the year 1970-71 has shown an increase of 200.29 per cent to that in 1912-13. But the yearly growth rate was not uniform in all these years. During the first decade, i.e. 1912-13 to 1920-21, the annual growth rate was 66.56 per cent, it was 53.96 per cent in the next decade; 15.40 in the next decade and 119.78 per cent in the period from 1929-30 to 1949-50. During the period from 1949-50 to 1970-71, the yearly growth rate was as high as 200.29 per cent. The same tendency
is noticeable in the case of average income, per capita tax income and per capital total income.

**Liability for the payment of Tax.**

Under the Assam Municipal Act, 1956, if the owner did not pay the tax and if he was not residing within the municipality, it could be recovered from the occupier. But arrears of tax of any holding for more than one year should be recovered from the owner alone. The Act also provided that if any holding is occupied by more than one person, the tax money could be recovered from all the occupants proportionately.

**Exemption.**

Under the Municipal Act of 1956 certain categories of holdings which were used exclusively as a places of worship, public burial or burning grounds and buildings whose yearly rental value did not exceed six rupees were exempted from the payment of municipal taxes. Educational institutions, hospitals, jails etc; were exempted from latrine taxes.

Under Article 285 of the Constitution of India the properties of Central Government were exempted from the payment of municipal taxes. But they are paying service charges. Shillong Municipality has realised about Rs.1,15,000 on account of service charges from Central Government buildings in 1972-73 alone.  

27. File No.SM/55/72-73 Budget.
exemption is based on the principle that the state is not bound to pay local taxes under any general law unless otherwise expressly provided by a specific Parliamentary enactment. But it may also be noted that the Central Government compensates the local authorities by making contributions in lieu of rates in respect of its properties.

Remissions.

Under section 92(3) of the Assam Municipal Act, 1956, the Board may reduce or remit any taxes, on the ground of hardship to the person liable to pay the tax. But such remission will be effective for one financial year only. The Shillong Municipality has exercised this power injudiciously in the past. The Municipality was superseded in 1958 on the ground that it was extremely generous in granting remissions. At present the Board does not abuse this power.

Assessment and Collection.

Rates are still levied on the basis of annual rental value under the Act of 1956 the basis of assessment being the annual rental value of the holding.

When the owner himself is the occupier of the building —

the annual rental value has to be fixed at less than twentyfive per cent of the actual rental value. The holdings, the annual value of which does not exceed Rs.6/- per annum are exempted from assessment. In case of Government buildings the annual value should not exceed 6 per cent of the capital value of the building over and above a suitable ground rent on the land within the compound of the building. The Act provided for two kinds of assessment - first one was on the annual value of individual holdings and the second on the capital value for the Government buildings. Shillong Municipality was free from the complex problem of proper valuation of factory buildings as they do not exist here.

The Municipality appointed an assessor, generally an officer of State Cadre, for the quinquennial re-assessment. He worked under the supervision of the Chairman. In the past there was a lot of controversy in the State Legislature about the integrity of the assessor.29 The draft assessment list, prepared by the assessor was scrutinised by the Finance and Assessment Committee and submitted to the Board together with its recommendations. The list was then published for public information.

But machinery devised for the assessment of property and the basis of assessment are not just. There was very little control by the Government or Municipality over the arbitrary powers of the assessor. In the place of an assessor there should be an impartial valuation authority like the British Board of Inland Revenue.

Collection of Taxes.

As regards the collection of taxes they were payable in advance in quarterly instalments. But the Board must serve a demand notice on the payee, giving full details of and the period for which tax was due and the penalties that would follow in case of non-payment. The collection of a tax without the service of a demand notice was illegal. If the amount of tax was not paid within the prescribed period, movable property of the assessee could be attached and sold in public auction. But officials of the Municipality, and police personnel are prohibited from purchasing any such property.

Collection is said to be efficient if 99 per cent of the total demand is collected. Prior to independence the percentage of collection of Shillong Municipality was good. For instance, the percentage was cent per cent in

30. Rao, V.V. - A Hundred Years of Local Self Government
In Assam, 1967, P.353.
1912-13, 99.76 per cent in 1920-21, 93.15 per cent in 1945-46 whereas the percentage for 1949-50 was only 86.55 per cent. In 1960 the collection was so poor that the arrear amount was 1.75 lakhs on 31.3.63. In spite of the Board's efforts for good collection it was not even 75 per cent in 1965. After the dissolution of the Municipality in 1973, the collection was good. Thus the elected Board is reluctant to incur the displeasure of certain sections of the electorate by taking recourse to punitive measures for the collection of taxes, whereas the Chief Executive Officer had no such obsession. And finally, the collecting staff was inefficient and corrupt. Effective supervision was rewarded in excellent collection in 1973-74.

Although there is a steady rise in the income of the Municipal Board, the financial condition of the Board is far from satisfactory. The problem of local finance has been dealt with at length by various committees and commissions. In 1951, the Local Finance Enq-

31. A.R. Municipal for the year concerned.
36. C.E.O's; note to Chairman on 15.3.1973.
uiiry Committee made the following recommendations:

(a) Terminal tax on passengers be levied by centre and proceeds handed over to local bodies.

(b) Taxes on sale of electricity, vehicles, entertainment tax be surrendered to local bodies.

(c) Local bodies be compelled to tap all taxing capacities.

(d) The State should share the motor vehicle tax with the local bodies.

(e) Tax on visitors to hotels be levied.

The Taxation Enquiry Commission however, gave little importance to the above recommendations. It suggested that the following taxes be exclusively reserved for local authorities:

(a) Taxes on lands and buildings.

(b) Octroi.

(c) Taxes on professions, trade callings and employment.

(d) Taxes on Vehicles and animals.

(e) Taxes on advertisements other than those published in newspapers.

The Commission also was not in favour of any constitutional amendment for a separate list of local taxes to be enshrined in the Constitution. However the Commission very strongly urged the State Government that the taxes indicated in their recommendations
should be appropriated by the local bodies and shall not be appropriated by the State Government. But even after 20 years the State Government, is still appropriating all revenues on account of professions, callings and employments, thereby depriving the Municipal Board of an important source of revenue.

Octroi is the main source of income of the Rohtak Municipality in Haryana. Imposition of such a tax on entry of goods into Shillong Municipal area will increase corruption.

Under the Assam Municipal Act, 1956, the Municipality is not empowered to proceed against immovable property for the recovery of taxes. As recommended by the Rural - Urban Relationship Committee, 1966, the Chief Executive Officer should be suitably empowered to invoke full coercive powers to enforce recovery of taxes. Therefore, the State Government should immediately come forward with legislation for the implementation of the above suggestions.

The Committee also recommended for setting up of Municipal Finance Commission.\textsuperscript{39} The State Government here may also set-up such a commission at the State level. The commission may tag up the needs of the Board with the State Five Year Plan allocations for a perspective planning.

Finally, the world Bank representatives suggested for Calcutta Corporation a centralised tax-collecting authority on the lines of a centralised valuation authority.\textsuperscript{40} Shillong Municipality may also give a fair trial to such an authority for effective and prompt collection of taxes.

\textbf{Sources of Revenue of the District Council.}

Apart from grants and loans, the main sources of income of the Council are forests, royalty on minerals, share of taxes on Vehicles, land revenue, revenue from trades, and markets.

As regards income from taxes on minerals, Vehicles, professions, trades, callings and employments,

\begin{itemize}
\item \textsuperscript{40} The Stateman, 25.11.1975.
\end{itemize}
the State Government is the collecting agency and the District Council is entitled to get a share.

The Chiefs collect and appropriate their own revenues amounting to over Rs.5 lakhs annually. The District Council has no control over the assessment and collection of the revenue of these units. However, the Chiefs paid one-eighth share of the total collection to the Council. The receipts of the Council from the one-eighth share of the income of the Chiefs are very irregular. If regularly paid the amount will be about Rs.60,000 annually, but the highest amount which the District Council had received is around Rs.30,000.\(^1\) Only.

Let us now take up some major revenue sources of the District Council.

**Forests.**

The administration of all forests other than Reserve Forests were transferred by the State Government to the District Council for management and control from 16th January, 1956.\(^2\) Royalty from forest produce is being collected directly by the Council. This is

\(^{40}\) Vaghaiwalla Committee, 1959-60, PP.27 and 30.

\(^{42}\) District Council's reply to Vaghaiwalla Committee, 1959-60, P.144.
done at the head office and through the many beat offices scattered all over the District. Actual receipts from forest in 1953-54 is about Rs.80,000, the figure for 1963-64 is about Rs.6,50,000 - whereas the amount realised in 1973-74 is about Rs.7,70,000. The growth of incomes under this head is far from uniform in all these periods. In the first decennial period it is about seven times; but during the last decennial period it is more or less stagnant. We think that the Council should seriously unearth the loopholes in forest administration for augmenting revenue from forest.

Land Revenue.

Land Revenue includes - ordinary land revenue, rent on fisheries, grazing fees and miscellaneous. The receipts under this head are rather small. As mentioned in Chapter VIII, the whole of Khasi Hills is not assessed for house tax and land revenue. Actual receipts from land revenue in 1953-54 is about Rs.44,000, the figure for 1963-64 is about Rs.29,000, and the figure for 1973-74 is about Rs.50,000. Therefore the Council's income

43. Figures collected from the Annual Financial Statement for the years concerned.
44. Ibid.
from this source is declining in the real sense. A thorough reassessment of the situation by the Council is necessary, as the people of Garo Hills and Jaintia Hills are paying land revenue.

Markets.

In 1957, the Management and Control of Markets, Act, 1953 was amended. Due to this amendment, the District Council lost all its share from the income of the Elaka or Chiefs' markets. Hence the income accruing from this source is only from the Council markets and some as half share from private markets in the District. The Council derived a revenue of about Rs. 9,000 in 1953-54; the figure for 1963-64 was about Rs. 19,000; whereas it was about Rs. 73,000 in 1973-74.

As observed by the Vaghaiwalla Committee in 1960, the markets in the District yield a revenue of over Rs. 2 lakhs a year. The Council may find in markets a very profitable source of revenue. The Chiefs had not paid the Council its share of the revenue. This writer thinks that the Market Rules of 1957, may suitably

45. Figures collected from the Annual Financial Statement for the years concerned.

46. Report, Vaghaiwalla Committee, 1959-60, p. 34.
be amended for creation of District Council machinery to know the actual amount collected by the Syiems from their markets and also to ensure prompt collection.

Trades.

The receipts from this source are the application fee, license fee, etc., realised from the non-tribal traders as provided under the Trading By Non-tribals, Regulations, 1954, and the Second Amendment Regulation, 1968. Income from this source in 1953-54 is nil, the figure for 1963-64 is about Rs. 21,000, and figure for 1973-74 is about Rs. 24,000. So, there is very little growth in the income from this source. We think that there will be little improvement in the position as the transfer of lands amongst the non-tribals and from tribals to non-tribals is almost stopped as a matter of policy by the Government of Meghalaya.

Royalty on Minerals.

The revenue accruing from the royalty on minerals is shared between the State Government and the District Council on an agreed percentage of 60 per cent for the District Council. In 1953-54, the Council's

47. Financial Statement for the years concerned.
receipt from this source is Rs.72,000, the amount in 1963-64 is about Rs.25,000, but in 1973-74, nothing is received from the Government. As suggested by the Conference of the Chief Executive Members held at Tura on 20th June, 1975, that the share on minerals should be raised from existing 60:40 to 80:20 on gross collection as against net collection now. We think that if the suggestion is accepted by the Government then there will be increased in the income of the Council. Moreover there should not be any unnecessary delay by the Government in releasing the share of the District Council.

Taxes on Vehicles.

The revenue from taxes on vehicles is shared on a percentage of vehicles garaged at Shillong Municipal area which is for the purpose of this tax outside the purview of the District Council and those vehicles garaged in the rest of the District which is under the jurisdiction of the Council for the purpose of this tax. The percentage hitherto works out at 25 per cent for the Council. The average annual income of the Council from

48. Financial Statement for years concerned.
49. Tour Notes, R.Chandra, Development Commissioner, Meghalaya, June, 1975, P.5.
these sources is about Rs. 1,76,000 in 1958-59 whereas the actual income of the Council from these sources is about Rs. 12,50,000 during 1975-76.

**Taxes on Professions, Trades, Callings and Employment.**

Taxes on professions, trades, callings and employment, are collected by the State Government on behalf of the District Council. It is very unusual to note that there is no receipt from these sources from a long time. We think that the income of the Council from taxes on professions, trades, callings and employments should have been a really sizeable one considering the vast number of Government and other employees scattered through out the District. The District Council should also take up the matter with the State Government for realisation of long outstanding arrears.

The receipts of the Council for consecutive three years excluding grants-in-aid are shown below in round figures:

52. Vide; Financial Statements for 1953-64, 1963-64, and from 1967-68 to 1975-76.
<table>
<thead>
<tr>
<th>Head of Revenue</th>
<th>Actuals of 1975-76</th>
<th>Actuals of 1974-75</th>
<th>Actuals of 1973-74</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>I Land Revenue</td>
<td>47,275.00</td>
<td>39,194.00</td>
<td>50,111.00</td>
</tr>
<tr>
<td>II Forest</td>
<td>8,33,203.00</td>
<td>6,57,424.00</td>
<td>7,69,596.00</td>
</tr>
<tr>
<td>III Administration of Justice</td>
<td>9,553.00</td>
<td>9,485.00</td>
<td>9,053.00</td>
</tr>
<tr>
<td>IV Market</td>
<td>12,315.00</td>
<td>4,990.00</td>
<td>72,884.00</td>
</tr>
<tr>
<td>V Trades</td>
<td>37,108.00</td>
<td>18,464.00</td>
<td>24,658.00</td>
</tr>
<tr>
<td>VI Stationery &amp; Printing</td>
<td>2,437.00</td>
<td>1,532.00</td>
<td>1,109.00</td>
</tr>
<tr>
<td>VII Miscellaneous Receipts</td>
<td>10,042.00</td>
<td>40,715.00</td>
<td>9,376.00</td>
</tr>
<tr>
<td>VIII Royalty on Minerals</td>
<td>3,77,974.00</td>
<td>2,00,000.00</td>
<td>-</td>
</tr>
<tr>
<td>IX Taxes on Vehicles</td>
<td>12,47,709.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>X Taxes on Professions Trades etc.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>25,77,616.00</td>
<td>9,71,804.00</td>
</tr>
</tbody>
</table>

It is clear from the table above that the annual growth rate of income is 3.74 per cent in 1974-75; the figure jumped to 165.24 per cent in the next year. Main reason for the high percentage of annual growth rate in 1975-76 is due to release of more than Rs.12 lakhs by the State Government being the Council's share of taxes on Vehicles.

Let us now take up the annual growth rate of income of the District Council in early 1950s. In 1953-54 the receipt of the Council, excluding government grants, was Rs.3 lakhs. In the next year the income was Rs.2,30,000 only; hence there was a minus growth rate of (-) 23.33 per cent in 1954-55. In 1955-56 the receipt was Rs.3 lakhs, therefore the annual growth rate was 30.43 per cent over that of the year 1954-55. In other words the annual growth rate of income of the Khasi Hills District Council in 1970s was reasonably high in comparison with 1950s.

During the year 1953-54, the income of the Council was Rs.3 lakhs, the figure for 1963-64 was Rs.7,69,916 whereas the figure for 1973-74 was Rs.9,36,787.

54. Ibid.
55. Ibid.
So the decennial growth rate was 156.64 per cent in 1963-64. The growth rate was 21.67 per cent in the next decade. Hence the decennial growth rate was high in the first decade. But it was more or less stagnant in the last decade.

Another interesting point which emerges from a perusal of the table II is a great fluctuation of income from the market revenue - whereas the income from this source is about Rs.72,000 in the year 1973-74, but the figure for 1974-75 is below Rs.5,000, and figure for 1975-76 is slightly above Rs.12,000. It is pertinent to note that the Khasi Hills District Council had realised a revenue of Rs.10,840 from the markets in the year 1958-59. As suggested earlier, the Market Rules may suitably be amended by the Council not only to ensure prompt collection but also to make provisions for punishment of defaulting Chiefs.

The measures for augmenting the income of the Council were discussed in Chapter VIII.

In 1960, the Vaghaiwalla Committee mentioned about the poor performance of the Council in the collection of revenue. The only heads of revenue which

have been properly assessed by the Khasi Hills District Council in late 1950s are relating to house-tax and wet-paddy fields in partitions of the District. In 1958-59 the demand on house-tax was Rs.1,34,844 and the collection Rs.7,271 only. The collection of wet-paddy field revenue was Rs.11,601 only against a demand of Rs.1,42,681.57 "This is most disappointing, but is understandable when the major part of the District is not assessed to either of the two taxes". There are opposition to the levy of house tax. So, in 1961, it was decided by the District Council that no house tax should be levied in the former British villages of the Shillong Sub-division.59 Thus, the attempt to impose house tax in the Khasi Hills having proved abortive, the only way by which Uniformity could be achieved was by the abolition of the house tax in the former British villages in the Shillong Sub-division.

We think that the officers and Chiefs who are entrusted with the collection of any tax should be duly armed with powers of attachment and disposal of the properties of the defaulters. If the Chiefs fail to make good the demand inspite of their being given such powers,

57. Jadhaiwalla Committee, op.cit, P.34.
58. Ibid. P.
59. Deputy Secretary (Rev), Khasi Hills District Council, interviewed on 11.7.1977.
action may be taken against them. Hence the argument that "the people were most reluctant to pay", was not convincing.

Thus, if the collection of taxes are regular through effective supervision, and strong actions against the defaulters; the income of the Council will definitely increase.