

“(4.) Where dividends are paid either wholly or in part out of the net profits of a company of the year of income and those profits are partly liable to and partly exempt from income tax under this Act the amount of dividends paid out of the taxable income of that year shall, for the purposes of this Part, be deemed to be the amount which bears the same proportion to the total amount of dividends paid out of those profits as that portion of the net profits of the year of income which is liable to income tax under this Act bears to the total net profits of the company of the year of income :

Provided that this sub-section shall not apply to the profits or income specified in paragraph (b), (c) or (d) of sub-section (2.) of section forty-four of this Act where a dividend is paid wholly and exclusively from the profits or income so specified.

“160D. The Commissioner shall make an assessment of that portion of the taxable income of a company which has not been distributed as dividends and of the further tax payable thereon.”

Assessments of
tax on
undistributed
dividends.

12. Section two hundred and four of the Principal Act is amended by inserting after sub-section (1.) the following sub-section :—

When tax
payable.

“(1A.) Notwithstanding anything contained in the last preceding sub-section, where any income tax is assessed under the provisions of Division 7 of Part III. or of Part IIIA. of this Act that tax shall be due and payable by the person liable to pay the tax thirty days after the service of a notice of assessment.”

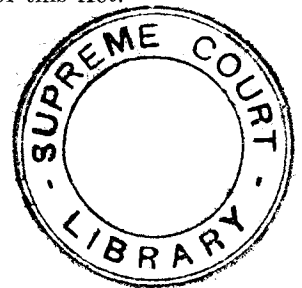
13.—(1.) The amendments effected by this Act, other than that effected by section twelve of this Act, shall apply to all assessments for the financial year beginning on the first day of July, One thousand nine hundred and forty, and all subsequent years.

Application
of Act.

(2.) The amendment effected by section twelve of this Act shall apply to all assessments made after the commencement of this Act.

INCOME TAX.

No. 18 of 1940.



An Act to impose a Tax upon Incomes.

[Assented to 27th May, 1940.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

1. This Act may be cited as the *Income Tax Act 1940.*

Short title.

Commencement. 2. This Act shall come into operation on the day on which it receives the Royal Assent.

Incorporation. 3. The *Income Tax Assessment Act* 1936-1940 shall be incorporated and read as one with this Act.

Imposition of income tax. 4. Income tax is imposed at the rates declared in this Act.

Rates of income tax. 5.—(1.) The rate of income tax in respect of a taxable income derived from personal exertion shall be as set out in the First Schedule to this Act.

(2.) The rate of income tax in respect of a taxable income derived from property shall be as set out in the Second Schedule to this Act.

(3.) The rates of income tax in respect of a taxable income derived partly from personal exertion and partly from property shall be as set out in the Third Schedule to this Act.

(4.) The rate or rates of income tax in respect of a taxable income to which Division 16 of Part III. of the *Income Tax Assessment Act* 1936-1940 applies shall be as set out in the Fourth Schedule to this Act.

(5.) The rate or rates of income tax in respect of a taxable income in any case where sub-section (1.) of section eighty-six of the *Income Tax Assessment Act* 1936-1940 applies shall be as set out in the Fifth Schedule to this Act.

(6.) Notwithstanding anything contained in the last five preceding sub-sections, where the amount of income tax which a person would, apart from this sub-section, be liable to pay is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

(7.) The rate or rates of income tax payable by a trustee shall be as set out in the Sixth Schedule to this Act.

(8.) Subject to sub-section (7.) of this section, the rates of income tax payable by a company shall be as set out in the Seventh Schedule to this Act.

Levy of income tax. 6.—(1.) Income tax shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and forty.

(2.) This Act shall also apply to all assessments for financial years subsequent to that beginning on the first day of July, One thousand nine hundred and forty made prior to the commencement of the Act for the levying and payment of income tax for the financial year beginning on the first day of July, One thousand nine hundred and forty-one.

THE SCHEDULES.

FIRST SCHEDULE.

s. 5 (1.).

RATE OF TAX IN RESPECT OF TAXABLE INCOME DERIVED FROM PERSONAL EXERTION.

If the taxable income does not exceed Five hundred pounds, the rate of tax for every pound of taxable income shall be five pence.

THE SCHEDULES—*continued.*

If the taxable income exceeds Five hundred pounds but does not exceed One thousand pounds, the rate of tax for every pound of taxable income shall be five pence and one-fiftieth of a penny increasing uniformly by one-fiftieth of a penny for every pound by which the taxable income exceeds Five hundred and one pounds.

If the taxable income exceeds One thousand pounds but does not exceed Four thousand and two hundred pounds, the rate of tax for every pound of taxable income shall be fifteen pence and one-hundredth of a penny increasing uniformly by one-hundredth of a penny for every pound by which the taxable income exceeds One thousand and one pounds.

and

If the taxable income exceeds Four thousand and two hundred pounds, the rate of tax for every pound of taxable income up to and including Four thousand and two hundred pounds shall be forty-seven pence, and the rate of tax for every pound of taxable income in excess of Four thousand and two hundred pounds shall be ninety pence.

SECOND SCHEDULE.

s. 5 (2.).

RATE OF TAX IN RESPECT OF TAXABLE INCOME DERIVED FROM PROPERTY.

If the taxable income does not exceed Five hundred pounds, the rate of tax for every pound of taxable income shall be six pence.

If the taxable income exceeds Five hundred pounds but does not exceed One thousand pounds, the rate of tax for every pound of taxable income shall be six pence and three one-hundredths of a penny increasing uniformly by three one-hundredths of a penny for every pound by which the taxable income exceeds Five hundred and one pounds.

If the taxable income exceeds One thousand pounds but does not exceed Four thousand and two hundred pounds, the rate of tax for every pound of taxable income shall be twenty-one pence and one-eightieth of a penny increasing uniformly by one-eightieth of a penny for every pound by which the taxable income exceeds One thousand and one pounds.

and

If the taxable income exceeds Four thousand and two hundred pounds, the rate of tax for every pound of taxable income up to and including Four thousand and two hundred pounds shall be sixty-one pence, and the rate of tax for every pound of taxable income in excess of Four thousand and two hundred pounds shall be one hundred and eight pence.

THIRD SCHEDULE.

s. 5 (3.).

RATES OF TAX IN RESPECT OF TAXABLE INCOME DERIVED PARTLY FROM PERSONAL EXERTION AND PARTLY FROM PROPERTY.

(a) For every pound of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under the First Schedule if the total taxable income of the taxpayer were derived exclusively from personal exertion, by the amount of the total taxable income.

(b) For every pound of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under the Second Schedule if the total taxable income of the taxpayer were derived exclusively from property, by the amount of the total taxable income.

FOURTH SCHEDULE.

s. 5 (4.).

RATES OF TAX BY REFERENCE TO AN AVERAGE INCOME.

(a) For every pound of the taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1940* is applied, the rate of tax shall be ascertained by dividing the tax that would be payable under the First Schedule upon a taxable income from personal exertion equal to his average income, by that average income.

(b) For every pound of taxable income derived by him from property the rate of tax shall be ascertained by dividing the tax that would be payable under the Second Schedule upon a taxable income from property equal to his average income, by that average income.

THE SCHEDULES—*continued.*

FIFTH SCHEDULE.

s. 5 (5.).

RATE OF TAX BY REFERENCE TO A NOTIONAL INCOME.

(a) For every pound of the actual taxable income from personal exertion of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1940*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under the First Schedule upon a taxable income from personal exertion equal to his notional income, by that notional income.

(b) For every pound of the actual taxable income from property of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1940*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under the Second Schedule upon a taxable income from property equal to his notional income, by that notional income.

SIXTH SCHEDULE.

s. 5 (7.).

RATES OF TAX PAYABLE BY A TRUSTEE.

For every pound of the taxable income in respect of which a trustee is liable, pursuant to either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1940*, to be assessed and to pay tax, the rate of tax shall be the rate which would be payable under the First, Second, Third, Fourth or Fifth Schedules, as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

SEVENTH SCHEDULE.

s. 5 (8.).

RATES OF TAX PAYABLE BY A COMPANY.

(a) Subject to the last preceding Schedule, for every pound of the taxable income of a company the rate of tax shall be twenty-four pence.

(b) Subject to the last preceding Schedule, for every pound of that portion of the taxable income of a company which has not been distributed as dividends on which the company is liable, pursuant to Part IIIA. of the *Income Tax Assessment Act 1936-1940*, to pay further tax, the rate of tax shall be twelve pence.

(c) For every pound of interest in respect of which a company is liable, pursuant to sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1940*, to pay income tax, the rate of tax shall be twenty-four pence.

COMMONWEALTH ELECTORAL.

No. 19 of 1940.

An Act to amend the *Commonwealth Electoral Act 1918-1934*.

[Assented to 29th May, 1940.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

1.—(1.) This Act may be cited as the *Commonwealth Electoral Act 1940*.

(2.) The *Commonwealth Electoral Act 1918-1934** is in this Act referred to as the Principal Act.

Short title
and citation.

* Act No. 27, 1918, as amended by No. 31, 1919; No. 14, 1921; No. 14, 1922; No. 10, 1924; No. 20, 1925; No. 17, 1928; No. 2, 1929; and No. 9, 1934.