

INCOME TAX.

No. 55 of 1941.

An Act to impose a Tax upon Incomes.

[Assented to 3rd December, 1941.]

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* 1941. Short title.
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
3. The *Income Tax Assessment Act* 1936–1940 shall be incorporated and read as one with this Act. Incorporation.
4. Income Tax is imposed at the rates declared in this Act. Imposition 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. Rates of income tax.
 - (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.

Super-tax.

6. In addition to any income tax payable under the preceding provisions of this Act, there shall be payable upon the taxable income in excess of Five thousand pounds derived by a company (other than a company to which section fourteen of the *War-time (Company) Tax Assessment Act* 1940 provides that that Act shall not apply) a super-tax at the rate of twelve pence for every pound of that excess :

Provided that this section shall not apply to the assessment of a company as a trustee.

Levy of income tax.

7.—(1.) The tax imposed by this Act shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and forty-one.

(2.) Until 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-two, this Act shall also apply for all financial years subsequent to that 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 Four hundred pounds, the rate of tax for every pound of taxable income shall be sixteen pence.

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

If the taxable income exceeds Two thousand and five hundred pounds, the rate of tax for every pound of taxable income up to and including Two thousand and five hundred pounds shall be One hundred pence, and the rate of tax for every pound of taxable income in excess of Two thousand and five hundred pounds shall be Two hundred pence.

SECOND SCHEDULE.

s. 5 (2).

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

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

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

If the taxable income exceeds Two thousand pounds, the rate of tax for every pound of taxable income up to and including Two thousand pounds shall be One hundred pence, and the rate of tax for every pound of taxable income in excess of Two thousand pounds shall be Two hundred 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* applies, 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.

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 thirty-six 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 twenty-four 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 thirty-six pence.