

27. After section two hundred and sixty-two of the Principal Act the following section is inserted—

Taxpayer to
keep records.

“262A.—(1.) Subject to sub-section (2.) of this section, every person carrying on a business shall keep sufficient records in the English language of his income and expenditure to enable his assessable income and allowable deductions to be readily ascertained and shall retain such records for a period of at least seven years after the completion of the transactions, acts or operations to which they relate.

Penalty: Not less than Two pounds or more than One hundred pounds.

“(2.) This section shall not require the preservation of any records—

- (a) in respect of which the Commissioner has notified the taxpayer that their preservation is not required; or
- (b) of a company which has gone into liquidation and which has been finally dissolved.”.

Application of
amendments.

28.—(1.) The amendment effected by paragraph (a) of section six 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-one, and all subsequent years.

(2.) The amendments effected by paragraph (b) of section six and by sections seven, eight, nine, twelve, thirteen and sixteen 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-two, and all subsequent years.

(3.) The amendments effected by sections five, ten, eleven, fourteen and fifteen 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-three, and all subsequent years.

INCOME TAX.

No. 11 of 1943.

An Act to impose a Tax upon Incomes.

[Assented to 20th March, 1943.]

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

Short title.

1. This Act may be cited as the *Income Tax Act 1943*.

Commencement.

2. This Act shall come into operation on a date to be fixed by Proclamation.

3. The *Income Tax Assessment Act* 1936-1943 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* 1936-1943 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* 1936-1943 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, apart from this sub-section, the amount of income tax payable in respect of a taxable income of less than One hundred and thirteen pounds would, after deducting all rebates to which a taxpayer is entitled in his assessment, be greater than fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds, the income tax payable in respect of that taxable income shall be fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds.

(7.) Notwithstanding anything contained in the last six preceding sub-sections, where, apart from this sub-section, the amount of income tax which a person would be liable to pay, after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

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

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

(10.) Notwithstanding anything contained in the preceding provisions of this section, if, apart from this sub-section, the income tax which a person, before deducting any rebate to which he is entitled in his assessment, would be liable to pay leaves an amount of pence remaining when expressed in pounds and shillings—

(a) if the remaining pence do not exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings; or

- (b) if the remaining pence exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings plus one shilling.

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 a super-tax at the rate of twelve pence for every pound of that excess :

Provided that this section shall not apply—

- (a) to the assessment of a company as a trustee ;
 (b) to the income of a company to which section fourteen of the *War-time (Company) Tax Assessment Act 1940-1942* provides that that Act shall not apply ; or
 (c) to the mutual income, as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1943*, of a life assurance company.

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-three.

(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-four, 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-three.

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 £300, the rate of tax for every pound of taxable income up to and including £100 shall be 6 pence, and the rate of tax for every pound of taxable income in excess of £100 shall be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 shall be 44 pence and the rate of tax for every pound of taxable income in excess of £300 shall be 96.01 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 shall be 85.3 pence and the rate of tax for every pound of taxable income in excess of £1,000 shall be 110.033 pence increasing uniformly by .033 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £3,000 the rate of tax for every pound of taxable income up to and including £2,000 shall be 114.15 pence and the rate of tax for every pound of taxable income in excess of £2,000 shall be 176.015 pence increasing uniformly by .015 of one penny for every pound by which the taxable income exceeds £2,001.

FIRST SCHEDULE—*continued.*

If the taxable income exceeds £3,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £3,000 shall be 139.76 pence and the rate of tax for every pound of taxable income in excess of £3,000 shall be 206.004 pence increasing uniformly by .004 of one penny for every pound by which the taxable income exceeds £3,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 shall be 169.46 pence and the rate of tax for every pound of taxable income in excess of £5,000 shall be 222 pence.

SECOND SCHEDULE.

s. 5 (2.).

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

If the taxable income does not exceed £200 the rate of tax for every pound of taxable income up to and including £100 shall be 6 pence and the rate of tax for every pound of taxable income in excess of £100 shall be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £200 but does not exceed £300 the rate of tax for every pound of taxable income up to and including £200 shall be 26.25 pence and the rate of tax for every pound of taxable income in excess of £200 shall be 75.74 pence increasing uniformly by .24 of one penny for every pound by which the taxable income exceeds £201.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 shall be 50.6 pence and the rate of tax for every pound of taxable income in excess of £300 shall be 123.51 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 shall be 106.55 pence and the rate of tax for every pound of taxable income in excess of £1,000 shall be 137.534 pence increasing uniformly by .034 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £2,000 shall be 139.025 pence and the rate of tax for every pound of taxable income in excess of £2,000 shall be 205.50275 pence increasing uniformly by .00275 of one penny for every pound by which the taxable income exceeds £2,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 shall be 183.86 pence and the rate of tax for every pound of taxable income in excess of £5,000 shall be 222 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 taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1943* 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 1936-1943*, 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 1936-1943*, 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 (8.).

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 1936-1943*, 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 (9.).

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—

- (i) in the case of a company which is not a life assurance company—seventy-two pence;
- (ii) in the case of a company which is a mutual life assurance company—sixty pence; or
- (iii) in the case of a life assurance company, other than a mutual life assurance company—
 - (1) in respect of the mutual income of the company as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1943*—sixty pence; and
 - (2) in respect of the remainder of the taxable income of the company—seventy-two 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 1936-1943*, 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 1936-1943*, to pay income tax, the rate of tax shall be seventy-two pence.