

to the confluence of the Derwent and Florentine Rivers thence by a straight line in a general southerly direction passing through the trigonometrical station on South East Cape to the southern coastline.

3. All the islands forming part of Australia lying adjacent to the coastline of either of the portions of Australia described in paragraphs 1 and 2 of this Part.”.

Application of amendments.

20.—(1.) The amendments effected by sections three, six, ten, eleven, fourteen and nineteen 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-five, and all subsequent years.

(2.) The amendments effected by sections four, five, seven, eight, nine and twelve of this Act shall apply—

(a) where the taxpayer is a company, other than a company in the capacity of a trustee—to all assessments for the financial year beginning on the first day of July, One thousand nine hundred and forty-five, and all subsequent years; and

(b) in any other case—to all assessments (other than assessments made for the purposes of Division 18 of Part III. of the Principal Act) for the financial year which commenced on the first day of July, One thousand nine hundred and forty-four, and all subsequent years.

INCOME TAX.

No. 5 of 1945.

An Act to impose a Tax upon Incomes.

[Assented to 18th May, 1945.]

[Date of commencement, 15th June, 1945.]

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* 1945.

Incorporation

2. The *Income Tax Assessment Act* 1935-1945 shall be incorporated and read as one with this Act.

Imposition of income tax.

3. Income tax is imposed at the rates declared in this Act.

Rates of income tax.

4.—(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 1936-1945* 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 1936-1945* applies shall be as set out in the Fifth Schedule to this Act.

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

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

(8.) Where, apart from this sub-section, the amount of income tax payable under sub-section (1.), (2.), (3.), (4.), (5.) or (6.) of this section 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—

(a) in any case where the taxable income is less than Two hundred pounds and the taxpayer is entitled to a rebate of tax in his assessment by reference to paragraph (a), (aa), (ab), (b), (ba), (bb) or (c) of sub-section (2.) of section One hundred and sixty of the *Income Tax Assessment Act 1936-1945*—One hundred and fifty-six pounds; or

(b) in any case where the taxable income is less than One hundred and thirteen pounds and the taxpayer is not entitled to any such rebate of tax—One hundred and four pounds,

the income tax payable in respect of that taxable income shall be fifty per centum of the amount of that excess.

(9.) Where, apart from this sub-section, the amount of income tax which a person would be liable to pay under sub-section (1.), (2.), (3.), (4.), (5.), (6.) or (8.) of this section, 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.

(10.) Where, apart from this sub-section, the income tax which a person would be liable to pay under this section before deducting any rebate to which he is entitled in his assessment, 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.

Super-tax
on certain
companies.

5. 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 1940-1944* 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 1936-1945*, of a life assurance company.

Levy of
income tax.

6.—(1.) The tax imposed by the preceding provisions of this Act shall be levied and paid for the financial year commencing on the first day of July, One thousand nine hundred and forty-five, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936-1945*.

(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-six, the preceding provisions of this Act shall also apply for all financial years subsequent to that commencing on the first day of July, One thousand nine hundred and forty-five.

Provisional tax;

7. Provisional tax is imposed, and shall be payable in accordance with the provisions of the *Income Tax Assessment Act 1936-1945*, in respect of the income of the financial year ending on the thirtieth day of June, One thousand nine hundred and forty-six, or the accounting period (if any) adopted under that Act in lieu of that financial year.

THE SCHEDULES.

FIRST SCHEDULE.

s. 4 (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.

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. 4 (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. 4 (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. 4 (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 1936-1945* 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. 4 (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 1936-1945*, 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 1936-1945*, 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. 4 (6.).

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 1936-1945*, 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 Schedule, as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

SEVENTH SCHEDULE.

s. 4 (7.).

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 1936-1945*—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 1936-1945*, 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 1936-1945*, to pay income tax, the rate of tax shall be Seventy-two pence.