

# INCOME TAX.

## No. 31 of 1946.

### An Act to impose a Tax upon Incomes.

[Assented to 14th August, 1946.]

**B**E 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* 1946.
- 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* 1936–1946 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* 1936–1946 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* 1936–1946 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 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.

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 :

Super-tax  
on certain  
companies.

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 1940-1946* 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 1936-1946*, of a life assurance company.

7.—(1.) The tax imposed by the preceding provisions of this Act shall be levied and paid for the financial year which commenced on the first day of July, One thousand nine hundred and forty-six, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936-1946*.

Levy of  
income tax.

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

8. Provisional tax is imposed, and shall be payable in accordance with the provisions of the *Income Tax Assessment Act 1936-1946*, in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and forty-seven.

Provisional  
tax.

## THE SCHEDULES.

## FIRST SCHEDULE.

s. 5 (1).

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

(a) If the taxable income does not exceed £300 the rate of tax for every £1 of taxable income up to and including £200 shall be nil and the rate of tax for every £1 of taxable income in excess of £200 shall be 36.06 pence increasing uniformly by .06 of one penny for every £1 by which the taxable income exceeds £201.

(b) If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £300 shall be 14 pence and the rate of tax for every £1 of taxable income in excess of £300 shall be 48.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £301.

(c) If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every £1 of taxable income up to and including £1,000 shall be 47.6 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 76.025 pence increasing uniformly by .025 of one penny for every £1 by which the taxable income exceeds £1,001.

(d) If the taxable income exceeds £2,000 but does not exceed £3,000 the rate of tax for every £1 of taxable income up to and including £2,000 shall be 74.3 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 126.014 pence increasing uniformly by .014 of one penny for every £1 by which the taxable income exceeds £2,001.

(e) If the taxable income exceeds £3,000 but does not exceed £5,000 the rate of tax for every £1 of taxable income up to and including £3,000 shall be 96.2 pence and the rate of tax for every £1 of taxable income in excess of £3,000 shall be 154.005 pence increasing uniformly by .005 of one penny for every £1 by which the taxable income exceeds £3,001.

(f) If the taxable income exceeds £5,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 123.32 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 174 pence.

## SECOND SCHEDULE.

s. 5 (2).

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

(a) If the taxable income does not exceed £300 the rate of tax for every £1 of taxable income up to and including £200 shall be nil and the rate of tax for every £1 of taxable income in excess of £200 shall be 47.1 pence increasing uniformly by .1 of one penny for every £1 by which the taxable income exceeds £201.

(b) If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £300 shall be 19 pence and the rate of tax for every £1 of taxable income in excess of £300 shall be 67.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £301.

(c) If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every £1 of taxable income up to and including £1,000 shall be 62.4 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 95.029 pence increasing uniformly by .029 of one penny for every £1 by which the taxable income exceeds £1,001.

(d) If the taxable income exceeds £2,000 but does not exceed £5,000 the rate of tax for every £1 of taxable income up to and including £2,000 shall be 93.2 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 153.0035 pence increasing uniformly by .0035 of one penny for every £1 by which the taxable income exceeds £2,001.

(e) If the taxable income exceeds £5,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 135.38 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 174 pence.

## THIRD SCHEDULE.

s. 5 (3).

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

(a) For every £1 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.

THIRD SCHEDULE—continued.

(b) For every £1 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 £1 of taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1946* 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 £1 of taxable income derived from property by such a taxpayer, 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.)

RATES OF TAX BY REFERENCE TO A NOTIONAL INCOME.

(a) For every £1 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 1936-1946*, 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 notional income by that notional income.

(b) For every £1 of the actual taxable income from property of such a taxpayer, 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 notional income by that notional income.

SIXTH SCHEDULE.

s. 5 (6.)

RATES OF TAX PAYABLE BY A TRUSTEE.

For every £1 of the taxable income in respect of which a trustee is liable, in pursuance of either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1946*, to be assessed and to pay tax, the rate of tax shall be the rate that 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. 5 (7.)

RATES OF TAX PAYABLE BY A COMPANY, OTHER THAN A COMPANY IN THE CAPACITY OF TRUSTEE.

- (a) For every £1 of the taxable income 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 1936-1946*—Sixty pence; and
    - (2) in respect of the remainder of the taxable income of the company—  
Seventy-two pence.

(b) For every £1 of that portion of the taxable income which has not been distributed as dividends, on which the company is liable, in pursuance of Part IIIA. of the *Income Tax Assessment Act 1936-1946*, to pay further tax, the rate of further tax shall be Twenty-four pence.

(c) For every £1 of interest in respect of which a company is liable, in pursuance of sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1946*, to pay income tax, the rate of tax shall be Seventy-two pence.