

# INCOME TAX.

## No. 2 of 1949.

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

[Assented to 12th March, 1949.]

[Date of commencement, 9th April, 1949.]

**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:—

1. This Act may be cited as the *Income Tax Act 1949*. Short title.
2. The *Income Tax Assessment Act 1936-1948* shall be incorporated and read as one with this Act. Incorporation.
3. Income tax is imposed at the rates declared in this Act. Imposition 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. 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 1936-1948* 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 1936-1948* 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.

Super-tax  
on certain  
companies.

5.—(1.) In addition to any income tax payable under the preceding provisions of this Act, there shall be payable, subject to this section, 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.

(2.) The last preceding sub-section shall not apply to—

- (a) the assessment of a company as a trustee ;  
 (b) a private company as defined in section one hundred and three of the *Income Tax Assessment Act 1936-1948* ;  
 (c) a co-operative company as defined in section one hundred and seventeen of the *Income Tax Assessment Act 1936-1948* ;  
 (d) a mutual life assurance company, as defined in sub-section (1A.) of section one hundred and sixty c of the *Income Tax Assessment Act 1936-1948*, or the mutual income, as defined in that sub-section, 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-nine, upon the taxable income derived during the year of income as defined by section six of the *Income Tax Assessment Act 1936-1948*.

(2.) Until the commencement of the Act for the levying and payment of income tax for the financial year commencing on the first day of July, One thousand nine hundred and fifty, 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-nine.

Provisional  
tax.

7. Provisional tax is imposed, and shall be payable in accordance with the provisions of the *Income Tax Assessment Act 1936-1948*, in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and fifty.

## THE SCHEDULES.

### FIRST SCHEDULE.

s. 4 (1).

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

1. If the taxable income does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £500 shall be nil and the rate of tax for every £1 of taxable income in excess of £500 shall be 18.024 pence increasing uniformly by .024 of one penny for every £1 by which the taxable income exceeds £501.

2. 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 15 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 42.02 pence increasing uniformly by .02 of one penny for every £1 by which the taxable income exceeds £1,001.

## FIRST SCHEDULE—continued.

3. 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 38.5 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 82.01 pence increasing uniformly by .01 of one penny for every £1 by which the taxable income exceeds £2,001.
4. If the taxable income exceeds £5,000 but does not exceed £10,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 82.6 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 142.002 pence increasing uniformly by .002 of one penny for every £1 by which the taxable income exceeds £5,001.
5. If the taxable income exceeds £10,000 the rate of tax for every £1 of taxable income up to and including £10,000 shall be 117.3 pence and the rate of tax for every £1 of taxable income in excess of £10,000 shall be 162 pence.

## SECOND SCHEDULE.

s. 4 (2.).

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

1. If the taxable income does not exceed £500 the rate of tax for every £1 of taxable income up to and including £350 shall be nil and the rate of tax for every £1 of taxable income in excess of £350 shall be 7.755 pence increasing uniformly by .005 of one penny for every £1 by which the taxable income exceeds £351.
2. If the taxable income exceeds £500 but does not exceed £1,000 the rate of tax for every £1 of taxable income up to and including £500 shall be 2.55 pence and the rate of tax for every £1 of taxable income in excess of £500 shall be 28.03 pence increasing uniformly by .03 of one penny for every £1 by which the taxable income exceeds £501.
3. 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 22.775 pence and the rate of tax for every £1 of taxable income in excess of £1,000 shall be 58.022 pence increasing uniformly by .022 of one penny for every £1 by which the taxable income exceeds £1,001.
4. 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 51.3875 pence and the rate of tax for every £1 of taxable income in excess of £2,000 shall be 102.008 pence increasing uniformly by .008 of one penny for every £1 by which the taxable income exceeds £2,001.
5. If the taxable income exceeds £5,000 but does not exceed £10,000 the rate of tax for every £1 of taxable income up to and including £5,000 shall be 96.155 pence and the rate of tax for every £1 of taxable income in excess of £5,000 shall be 150.0012 pence increasing uniformly by .0012 of one penny for every £1 by which the taxable income exceeds £5,001.
6. If the taxable income exceeds £10,000 the rate of tax for every £1 of taxable income up to and including £10,000 shall be 126.0775 pence and the rate of tax for every £1 of taxable income in excess of £10,000 shall be 162 pence.

## THIRD SCHEDULE.

s. 4 (3.).

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

1. 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.
2. 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. 4 (4.).

## RATES OF TAX BY REFERENCE TO AN AVERAGE INCOME.

1. 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 1936-1948* 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.

FOURTH SCHEDULE—*continued.*

2. 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. 4 (5).

## RATES OF TAX BY REFERENCE TO A NOTIONAL INCOME.

1. 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 1936-1948*, 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.

2. 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. 4 (6).

## RATES OF TAX PAYABLE BY A TRUSTEE.

For every £1 of 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 1936-1948*, to be assessed and to pay tax, the rate or rates of tax shall be the rate or rates 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. 4 (7).

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

1. In the case of a company which is not a life assurance company, the rates of tax shall be—

(a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Sixty pence; and

(b) for every £1 of the remainder of the taxable income—Seventy-two pence.

2. In the case of a mutual life assurance company, the rates of tax shall be—

(a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Forty-eight pence; and

(b) for every £1 of the remainder of the taxable income—Sixty pence.

3. In the case of a life assurance company other than a mutual life assurance company, the rates of tax shall be—

(a) for every £1 of so much 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 1936-1948*, as does not exceed Five thousand pounds—Forty-eight pence;

(b) for every £1 of the remainder of the mutual income of the company, as so defined—Sixty pence;

(c) for every £1 of so much of the taxable income of the company, other than mutual income as so defined, as does not exceed the amount by which the mutual income of the company, as so defined, is less than Five thousand pounds—Sixty pence; and

(d) for every £1 of that part of the taxable income to which none of the preceding sub-paragraphs of this paragraph applies—Seventy-two pence.

4. 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 1936-1948*, to pay further tax, the rate of further tax shall be Twenty-four pence.

5. 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 1936-1948*, to pay income tax, the rate of tax shall be Seventy-two pence.