

Protection of  
members of  
Board.

21. The members of the Board shall not be personally liable for any act or default of the Board done or omitted to be done in good faith in the course of the operations of the Board.

Annual report.

22. The Board shall, in the month of August in each year, furnish to the Minister a report as to the operation of the provisions of this Act relating to the Board during the last preceding financial year.

Regulations.

23. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act.

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## INCOME TAX ASSESSMENT.

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### No. 4 of 1945.

## An Act to amend the *Income Tax Assessment Act 1936-1944*.

[Assented to 18th May, 1945.]

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

**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  
and citation.

1.—(1.) This Act may be cited as the *Income Tax Assessment Act 1945*.

(2.) The *Income Tax Assessment Act 1936-1944*\* is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Act 1936-1945*.

Repeal.

2. Section two of the Principal Act is amended by inserting before the word "Schedule" (first occurring) the word "First".

Income tax

3. Section seventeen of the Principal Act is amended—

(a) by omitting all the words after the word "non-resident";  
and

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\* Act No. 27, 1936, as amended by No. 88, 1936; No. 5, 1937; No. 46, 1938; No. 30, 1939; Nos. 17 and 65, 1940; Nos. 58 and 69, 1941; Nos. 22 and 50, 1942; No. 10, 1943; and Nos. 3 and 28, 1944.

(b) by adding at the end thereof the following sub-section :—

“(2.) Notwithstanding anything contained in sub-section (1.) of this section, income tax shall not be levied upon the taxable income of a person, other than a company—

(a) where the person would, if income tax were levied upon his taxable income, be 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 this Act and the taxable income does not exceed One hundred and fifty-six pounds ; or

(b) where the person would not, if income tax were levied upon his taxable income, be entitled to any such rebate of tax and the taxable income does not exceed One hundred and four pounds.”.

4. Section twenty-three of the Principal Act is amended by inserting in paragraph (k), after the figures “ 1940 ” (second occurring), the words “, or pensions or allowances paid, or payments made, by the Commonwealth otherwise than under either of those Acts, but which, in the opinion of the Commissioner, are of a similar nature ”. Exemptions.

5. Section thirty-six of the Principal Act is amended by omitting sub-section (3.) and inserting in its stead the following sub-sections :— Disposal of  
assets of  
a business.

“(3.) Where, in consequence of the acquisition or resumption of land under the provisions of any Act or State Act or Ordinance of a Territory of the Commonwealth which contains provisions for the compulsory acquisition or resumption of land, a taxpayer, in any year of income, disposes, by sale or otherwise, of any live stock, the taxpayer may elect that his assessable income of that year shall be reduced by an amount equal to four-fifths of the profit on the disposal of that live stock and, in that case, there shall be included in his assessable income of each of the four next succeeding years an amount equal to one-fifth of the profit, and the amount so included in the assessable income of any year shall, for all purposes of this Act, be deemed to be assessable income derived by the taxpayer during that year from the carrying on by him in Australia, during that year, of a business of primary production.

“(4.) Where live stock to which the last preceding sub-section applies is disposed of by a partnership, each partner in the partnership shall be entitled to make an election under that sub-section in relation to that part of the profit on the disposal of the live stock which is included in his individual interest in the net income of the partnership.

“(5.) Where live stock to which sub-section (3.) of this section applies is disposed of by the trustee of a trust estate—

- (a) the trustee shall be entitled to make an election under that sub-section in relation only to that part of the profit on the disposal of the live stock included in the net income of the trust estate in respect of which the trustee is liable to be assessed and to pay tax under the provisions of Division 6 of this Part ; and
- (b) each beneficiary in the trust estate who is not under a legal disability and who is presently entitled to a share of the net income of the trust estate, which share includes a part of the profit on the disposal of the live stock, shall be entitled to make an election under that sub-section in relation to that part.

“(6.) Where, in any year of income, a taxpayer who has made an election under sub-section (3.) of this section—

- (a) appears to the Commissioner to be about to leave Australia ;
- (b) dies ;
- (c) becomes bankrupt, or applies to take the benefit of any Act or State Act for the relief of bankrupt or insolvent debtors, or compounds with his creditors, or makes an assignment of any of his property for their benefit ; or
- (d) being a company, commences to be wound up,

there shall, if the Commissioner so determines, be included, in the assessable income of the taxpayer of that year of income, any amount which would otherwise be included, in pursuance of this section, in the assessable income of any subsequent year of income, and the amount so included shall be deemed, for all purposes of this Act, to be assessable income derived by the taxpayer during that first-mentioned year of income from the carrying on by him in Australia, during that year, of a business of primary production.

“(7.) The election which a taxpayer may make under sub-section (3.) of this section shall be made in writing on or before the date of lodgment of the return of income of the year in which the disposal occurred, or within such further time as the Commissioner may allow.

“(8.) For the purposes of this section—

- (a) the value of any property or live stock shall be—
  - (i) the market value of the property or live stock on the day of the disposal ; or
  - (ii) if, in the opinion of the Commissioner, there is insufficient evidence of the market value on that day—the value which in his opinion is fair and reasonable ;
- (b) the profit on the disposal of live stock shall be the amount remaining after deducting from the proceeds of the sale of the live stock or, where the live stock was disposed

of together with any other assets or the disposal was otherwise than by sale, from the value of the live stock, the total of the following amounts :—

- (i) In respect of such of the live stock as was on hand at the beginning of the year of income—the value at which that live stock was, for the purposes of this Act, taken into account at the beginning of that year ;
- (ii) In respect of such of the live stock as was not on hand at the beginning of that year—
  - (1) in the case of live stock acquired by purchase—the purchase price of that live stock ; and
  - (2) in the case of live stock acquired otherwise than by purchase, but not including natural increase bred by the taxpayer during that year—the amount which, under this Act, is deemed to be the purchase price of that live stock.”.

6. After section fifty-one of the Principal Act the following section is inserted :—

“ 51A.—(1.) Notwithstanding anything contained in the last preceding section, where the assessable income of a taxpayer who is an employee includes the amount of any living-away-from-home allowance the rate or value of which exceeds Fifteen shillings per week, an amount ascertained in accordance with this section shall be an allowable deduction.

Deduction in respect of living-away-from-home allowance.

“ (2.) The amount of the deduction allowable under this section shall be—

- (a) where the allowance is paid or granted under the terms of any law or any award, order or determination of an industrial tribunal, or an industrial agreement, and the rate or value of the allowance does not exceed Fifty shillings per week—an amount calculated by multiplying the amount by which the weekly rate or value of the allowance exceeds Fifteen shillings by the number of weeks in respect of which the allowance is paid or granted ;  
or
- (b) in any other case—such amount, not exceeding an amount calculated in the manner specified in the last preceding paragraph, as the Commissioner considers reasonable in the circumstances.

“ (3.) For the purposes of this section—

‘ employee ’ has the same meaning as that expression has in section two hundred and twenty-one A of this Act ; and  
‘ living-away-from-home allowance ’ means so much of any allowance or benefit paid or granted in money or otherwise

as the Commissioner is satisfied is in the nature of compensation to the employee for the additional expenses (not being expenses which are allowable as a deduction under the last preceding section) incurred by him, or which would be incurred by him if the allowance or benefit were not received, through having to live away from his usual place of abode in order to perform his duties as an employee.”.

Acquisition of  
depreciated  
property.

7. Section sixty of the Principal Act is amended by omitting from the proviso to sub-section (1.), the words “at the time of the sale” and inserting in their stead the words “immediately prior to the time of the sale”.

8. Section sixty-two of the Principal Act is repealed and the following section inserted in its stead:—

Definition of  
depreciated  
value.

“62.—(1.) In this Division, ‘depreciated value’ of any unit of property at any time means the cost of the unit to the person who owns or owned the property at that time less the total amount of depreciation (if any) allowed or allowable in respect of that unit in assessments of the income of that person, for any period prior to that time, under this Act or any previous law of the Commonwealth.

“(2.) For the purposes of the last preceding sub-section, in any case in which section sixty of this Act, or the corresponding provision of the previous Act, applied or applies in relation to any unit of property, the person who acquired or acquires the unit shall be deemed to have acquired or to acquire it at a cost equal to the depreciated value of the unit immediately prior to the time of the acquisition, or, if the case is one in which the proviso to sub-section (1.) of that section applied or applies, the sum of that depreciated value and the amount required to be added to that depreciated value for the purposes of that proviso.

“(3.) Any amount by which the depreciated value of a unit of property has been or is reduced in pursuance of sub-section (2A.) or (2c.) of section fifty-nine of this Act shall, for all purposes of this Act, be deemed to be depreciation allowed or allowable in respect of that unit in the first assessment for the purposes of which the reduction was or is made.”.

Income tax  
paid abroad on  
ex-Australian  
dividends.

9.—(1.) Section seventy-two A of the Principal Act is amended by omitting from sub-section (1.) the words “the amount of income tax so paid” and inserting in their stead the words “so much of the income tax so paid as bears to the whole of that income tax the same proportion as the amount of profits derived by the company from sources out of Australia and included in the total amount of the profits out of which the dividends were paid bears to that total amount”.

(2.) The amendment effected by this section shall not apply to any amount paid for income tax, under the law of any country outside Australia, before the date on which this Act receives the Royal Assent.

10. Section seventy-eight of the Principal Act is amended by omitting from sub-section (3.) the words "the next succeeding section" and inserting in their stead the words "the next two succeeding sections".

Gifts and contributions.

11. After section seventy-nine of the Principal Act the following section is inserted :—

"79A.—(1.) For the purpose of granting to residents of the prescribed area an income tax concession in recognition of the disadvantages to which they are subject because of the uncongenial climatic conditions, isolation and high cost of living in Zone A and, to a lesser extent, in Zone B, in comparison with other parts of Australia, in the case of a resident of the prescribed area an amount ascertained in accordance with this section shall, subject to sub-section (3.) of section seventy-eight of this Act, be an allowable deduction.

Deduction for residents of isolated areas.

"(2.) The amount of the deduction allowable under this section shall be—

- (a) in the case of a resident of Zone A—Forty pounds ;
- (b) in the case of a resident of Zone B who has not resided or actually been in Zone A during any part of the year of income—Twenty pounds ; or
- (c) in any other case—such amount, not being less than Twenty pounds nor more than Forty pounds, as, in the opinion of the Commissioner, is reasonable in the circumstances.

"(3.) Any alteration of the boundaries of any area referred to in the Second Schedule to this Act made (otherwise than by an amendment of this Act) after the commencement of this section shall not affect the operation of this section.

"(4.) In this section—

'resident', in relation to any area, means a person (other than a company or a trustee)—

- (a) who resides in that area for more than one half of the year of income ;
- (b) who has actually been in that area, whether continuously or not, during more than one half of the year of income ; or
- (c) not being a person to whom paragraph (a) or paragraph (b) of this definition applies, who died during the year of income and at the date of his death resided in that area ;

'the prescribed area' means the area comprised in Zone A and Zone B ;

'Zone A' means the area described in Part I. of the Second Schedule to this Act ;

'Zone B' means the area described in Part II. of the Second Schedule to this Act."

**Definitions.**

**12.** Section eighty-three of the Principal Act is amended by omitting from sub-section (2.) the words "sub-section (3.) of section thirty-six" and inserting in their stead the words "paragraph (a) of sub-section (8.) of section thirty-six".

**Payments to fund providing benefits to persons on war service.**

**13.** Section one hundred and two AA of the Principal Act is amended by inserting in paragraph (d), after the word "war", the words "or, if the Governor-General by proclamation declares that some later date shall be substituted for that thirtieth day of June for the purposes of this section, on that substituted date".

**Concessional rebates.**

**14.** Section one hundred and sixty of the Principal Act is amended—

(a) by inserting in paragraph (a) of sub-section (2.), after sub-paragraph (iii), the following words:—

" , less, in any case where the separate net income derived from all sources by the spouse or relative in the year of income exceeds Fifty pounds, a sum which bears the same proportion to the amount arrived at in accordance with the foregoing provisions of this paragraph as the excess of that separate net income over Fifty pounds bears to Fifty pounds." ;

(b) by omitting from that paragraph the words " does not exceed Fifty pounds " and inserting in their stead the words " is less than One hundred pounds " ;

(c) by inserting in paragraph (aa) of sub-section (2.) after the words " One hundred pounds " (first occurring), the words " , less, in any case where the separate net income derived from all sources by the daughter in the year of income exceeds Fifty pounds, a sum which bears the same proportion to One hundred pounds as the excess of that separate net income over Fifty pounds bears to Fifty pounds." ;

(d) by omitting from that paragraph the words " does not exceed Fifty pounds " and inserting in their stead the words " is less than One hundred pounds " ;

(e) by omitting from paragraph (d) of sub-section (2.) all the words commencing with the words " any legally qualified medical practitioner " and ending with the word " resident " and inserting in their stead the following sub-paragraphs :—

"—(i) any legally qualified medical practitioner, nurse or chemist, or any public or private hospital, in respect of any illness of or operation upon the taxpayer or his spouse, or any of his children under the age of twenty-one years, if the spouse or child is a resident ;

- (ii) any legally qualified dentist in respect of dental services or treatment rendered to the taxpayer or any such spouse or child ;
  - (iii) any person for services rendered to the taxpayer or any such spouse or child in the testing of eyes or the prescribing of spectacles, if that person is legally qualified to perform those services, or to any person for the supply of spectacles in accordance with any such prescription ; or
  - (iv) any attendant as remuneration for services rendered to, and arising out of the blindness or permanent confinement to a bed or invalid chair of, the taxpayer or any such spouse or child ” ;
- (f) by omitting from paragraph (da) of sub-section (2.) the words “ or artificial eye ” and inserting in their stead the words “, artificial eye or hearing aid ” ;
- (g) by adding at the end thereof the following sub-section :—
- “ (5.) Where, in respect of any amount referred to in sub-section (1.) of this section, a taxpayer would, apart from this sub-section, be entitled to a deduction under any provision of this Act, he shall not be entitled to both a rebate and a deduction in respect of that amount, but shall be allowed only the rebate or the deduction, whichever the Commissioner considers appropriate.”.

15.—(1.) Section two hundred and twenty-one c of the Principal Act is amended by adding at the end thereof the following sub-section :—

Deductions  
by employer  
from salaries  
and wages.

“ (5.) Notwithstanding anything contained in this section, where an employee receives from his employer any allowance or benefit, in respect of any week or part thereof, the rate or value of which exceeds Fifteen shillings per week and that allowance or benefit is in the nature of compensation for the additional expenses incurred by the employee, or which would be incurred by him if the allowance or benefit were not received, through having to live away from his usual place of abode in order to perform his duties as an employee, there shall not be taken into account for the purpose of computing the deduction under this section—

- (a) where the allowance or benefit is received in respect of a week—so much of the amount or value of the allowance or benefit as is in excess of Fifteen shillings ; or
- (b) where the allowance or benefit is received in respect of part of a week—so much of the amount or value of the allowance or benefit as is in excess of an amount calculated for that part of a week at the rate of Fifteen shillings per week.”.



(2.) The amendment effected by this section shall come into operation on the first day of July, One thousand nine hundred and forty-five.

Arrangements  
with authorities  
of governments.

16. Section two hundred and twenty-one KB of the Principal Act is amended by omitting sub-section (3.) and inserting in its stead the following sub-sections :—

“(3.) Any person who is or becomes included in a class of persons in relation to whom an arrangement under the last preceding sub-section is in force shall (unless he has already done so), within thirty days after—

- (a) the commencement of this sub-section ;
- (b) he becomes included in that class of persons ; or
- (c) the publication of a notice by the Commissioner in the *Gazette* that such an arrangement is in force in relation to that class of persons,

whichever is the latest, by writing under his hand authorize his employer, and shall at all times keep his employer authorized, to make deductions from his salary or wages at the rates prescribed for the purposes of this Division.

Penalty : Twenty pounds.

“(3A.) The production of a copy of the *Gazette* containing a notice by the Commissioner that an arrangement under sub-section (2.) of this section is in force in relation to a class of persons specified in the notice shall be *prima facie* evidence of the making of such an arrangement, and that the arrangement has, at all times since the date of that *Gazette*, remained in force.”

Release of  
liability  
of the members  
of Defence  
Force on  
death.

17. Section two hundred and sixty-five A of the Principal Act is amended by omitting from paragraph (a) of sub-section (1.) the words “such pay and allowances” and inserting in their stead the words “pay and allowances earned as a member of the Defence Force”.

The First  
Schedule.

18. The heading to the Schedule to the Principal Act is amended by inserting before the word “SCHEDULE” the word “FIRST”.

The Second  
Schedule.

19. The Principal Act is amended by adding at the end thereof the following Schedule :—

Sec. 79A.

#### “THE SECOND SCHEDULE.

##### PART I.

##### Zone A.

“1. All that portion of the mainland of Australia lying north of a line commencing at a point on the western coastline at the north-western corner of the Road District of Gascoyne Minilya and thence in a general easterly direction following the boundaries dividing the Road Districts of Gascoyne Minilya Upper Gascoyne Meekatharra and Wiluna from the Road Districts of Ashburton Tableland and Nullagine in the State of Western Australia by the Tropic of Capricorn to the boundary dividing the Northern

Territory of Australia and the State of Queensland by that boundary south to its junction with a northern boundary of the Shire of Diamantina in the State of Queensland thence generally northeasterly by the boundaries dividing the Shires of Diamantina Winton Flinders Dalrymple and Herberton from the Shires of Boulia Cloncurry McKinlay Wyangarie Etheridge and Woothakata to the 145th meridian of east longitude by that meridian part of the northern boundary of the Shire of Woothakata beforementioned and the boundary dividing the Shires of Douglas and Cook to the eastern coastline.

2. All the islands forming part of Australia lying adjacent to the coastline of the portion of Australia described in paragraph 1 of this Part.

3. The Territories of Papua, Norfolk Island and New Guinea.

## PART II.

### *Zone B.*

" 1. All that portion of the mainland of Australia lying south of the southern boundary of Zone A and north of a line commencing at the northeastern corner of the Shire of Broadsound in the State of Queensland thence generally westerly and southerly by the boundaries dividing the Shires of Broadscund Belyando Jericho Bauhinia Booringa and Balonne from the Shires of Sarina Nebo Wangaratta Dalrymple Aramac Barcardine Blackall Tambo Murweh and Paroo to the boundary dividing the States of Queensland and New South Wales thence east by that boundary to its junction with the Barwon River at the northeastern corner of the Western Division in the State of New South Wales thence generally south-westerly by part of the boundary dividing the Central and Western Divisions of the State of New South Wales to the northernmost corner of the County of Mouramba and by the boundaries dividing the Counties of Mouramba Mossgiel Waljeers Kilfera Taila Wentworth and Tara from the Counties of Robinson Booroondarra Woore Manara Perry and Windeyer to the boundary dividing the States of New South Wales and South Australia thence south by that boundary to the northeast corner of the County of Hamley in the State of South Australia thence by the north boundaries of the Counties of Hamley and Young part of the north boundary of the County of Burra part of the east boundary of the District Council District of Hallett the east and a north boundary of the District Council District of Peterborough east and north boundaries of the District Council District of Carrieton to the southeast corner of the District Council District of Hawker the eastern north and west boundaries of that District Council District a western boundary of the District Council District of Kanyaka to the north boundary of the County of Frome thence west by part of that boundary and its prolongation west to the west boundary of the County of Manchester thence by the boundaries dividing the Counties of Manchester York and Buxton from the County of Hore-Ruthven part of the west boundary of the County of Buxton and part of the western boundary of the District Council District of Kimba to the easternmost corner of the District Council District of Le Hunte thence generally northwesterly by the east and north boundaries of the District Council Districts of Le Hunte and Streaky Bay and the east north and west boundaries of the District Council District of Murat Bay to the southern coastline thence by that coastline westerly to the southwestern corner of the Road District of Phillips River in the State of Western Australia thence generally northwesterly by the boundaries dividing the Road Districts of Gnowangerup Kent Lake Grace Kulin Kondinin Narebeen Merredin and Nungarin from the Road Districts of Phillips River Yilgarn and Westonia to the northeast corner of the Road District of Nungarin thence westerly and northwesterly by the boundaries dividing the Road Districts of Nungarin Kununoppin-Trayning Wyalkatchem Dowerin and Wongan-Ballidu from the Road Districts of Mukinbudin Mt. Marshall Koorda and Dalwallinu to the No. 2 rabbit proof fence by that fence to the north boundary of the Road District of Perenjori and thence by the boundaries dividing the Road Districts of Perenjori Morawa Mingenew Irwin Greenough and Geraldton from the Road Districts of Yalgoo Mullewa and Upper Chapman to the western coastline.

2. All that portion of Tasmania lying south and west of a line commencing on the west coast at the southwest corner of the County of Wellington and thence generally easterly and southerly by the boundaries dividing the counties of Wellington Devon and Westmorland from the counties of Russell Lincoln and Cumberland to the point on the River Shannon where the hydro-electric transmission line from Waddamana to Launceston crosses that river thence in a straight line in a general southwesterly direction to the trigonometrical station known as Fishers Sugar Loaf thence by a straight line in a general southwesterly direction to the point where the Lyell Highway crosses the Dee River thence by a straight line in a general southwesterly direction

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.]

**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* 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.