

11. Section eighty-five of the Principal Act is repealed and the following section inserted in its stead :—

“85. The *Commonwealth Employees' Compensation Act* 1930 shall apply to employees of the Commissioner as if they were employees within the meaning of that Act.”

Application  
of the  
*Commonwealth  
Employees'  
Compensation  
Act* 1930.

12. Section eighty-eight of the Principal Act is amended by omitting from paragraph (k) the word “Twenty” and inserting in its stead the word “Fifty”.

By-laws.

## INCOME TAX ASSESSMENT (No. 2).

### No. 88 of 1936.

An Act to repeal the provisions of the *Income Tax Assessment Act* 1936 relating to the special property tax, to amend the provisions of that Act relating to leases of land, and to amend sections twenty-three, thirty-six, thirty-seven, seventy-two, seventy-eight, one hundred and fifty-nine, one hundred and seventy and two hundred and eighteen of that Act.

[Assented to 7th December, 1936.]

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

1.—(1.) This Act may be cited as the *Income Tax Assessment Act* (No. 2) 1936.

Short title  
and citation.

(2.) The *Income Tax Assessment Act* 1936\* 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 Acts* 1936.

2. Section six of the Principal Act is amended by omitting the definition of “special property tax”.

Definitions.

3. Section twenty-three of the Principal Act is amended by omitting paragraph (s).

Exemptions.

\* Act No. 27, 1936.

Disposal of  
assets of a  
business.

4. Section thirty-six of the Principal Act is amended by omitting from sub-section (3.) all the words from and including the words “(a) the price” to and including the words “contract or arrangement—”.

Devolution on  
death.

5. Section thirty-seven of the Principal Act is amended by omitting from sub-section (2.) the words “and without any price being specified in any contract or arrangement”.

Rebate on  
dividends.

6. Section forty-six of the Principal Act is amended by omitting sub-section (2.).

Rates and  
taxes.

7. Section seventy-two of the Principal Act is amended by omitting sub-section (1.) and inserting in its stead the following sub-section :—

“(1.) Sums for which the taxpayer is personally liable and which are paid in Australia by him in the year of income for—

(a) rates which are annually assessed,

(b) Federal land tax or land tax imposed under any law of a State or of a Territory being part of the Commonwealth ;  
or

(c) income tax imposed under any law of a State or of a Territory being part of the Commonwealth

(other than taxes which are deductible under section seventeen of the *Estate Duty Assessment Act 1914-1928*) shall be allowable deductions.”.

Gifts,  
contributions,  
etc.

8. Section seventy-eight of the Principal Act is amended by omitting from paragraph (d) of sub-section (1.) the words “Calls on shares” and inserting in their stead the words “Calls paid by the taxpayer in the year of income on shares owned by him”.

Statutory  
exemption.

9. Section eighty-one of the Principal Act is amended by omitting sub-section (3.).

Premiums  
included in  
assessable  
income.

10. Section eighty-four of the Principal Act is amended—

(a) by omitting from sub-section (1.) the words “, except in cases in which the next succeeding sub-section applies,”; and

(b) by omitting sub-section (2.).

Deductions.

11. Section eighty-five of the Principal Act is amended—

(a) by omitting the words “sub-section (1.) of” (wherever occurring); and

(b) by omitting sub-section (4.).

Value of  
improvements  
included in  
assessable  
income.

12. Section eighty-seven of the Principal Act is amended by omitting from the proviso to paragraph (a) of sub-section (1.) all the words after the word “income,” (first occurring) and inserting in their stead the words “two or more persons have been lessors for successive periods, the instalment shall be included in the assessable income of the last of those lessors”.

**13. Section eighty-eight of the Principal Act is amended—****Deductions  
to lessee.**

- (a) by adding at the end of paragraph (a) of sub-section (3.) the word "or";
- (b) by omitting paragraph (b) of sub-section (3.); and
- (c) by adding at the end of paragraph (c) of sub-section (3.) the words "or the lessee is in substantial control of the operations of the lessor."

**14. The Principal Act is amended by inserting after section eighty-eight the following section:—**

"88A.—(1.) Except as provided in this section, the provisions of sections eighty-four, eighty-five, eighty-six, eighty-seven and eighty-eight shall not apply to a lease from the Crown of land used for primary production.

**Crown leases  
of land used  
for primary  
production.**

"(2.) Where a lease from the Crown of land used for primary production has been assigned prior to the beginning of the first year to the income of which this Act applies and more than one premium in respect of that assignment is payable, the assignor shall be subject to the same liability to tax, and the assignee shall be entitled to the same right of deduction, in respect of any premiums paid during that or any subsequent year, as they would have been if this section had not been enacted.

"(3.) Where after the beginning of the first year to the income of which this Act applies a taxpayer assigns a lease from the Crown of land used for primary production, and the taxpayer has been allowed any deduction under this Act or any previous law of the Commonwealth in respect of that lease, if the premium or sum of the premiums for or in connexion with that assignment together with all deductions so allowed, exceeds the premium or sum of the premiums paid by him for the lease, together with the expenses directly incurred by him in effecting that assignment (which expenses shall not otherwise be an allowable deduction), the excess, to an amount not exceeding the sum of those deductions, (in this section called "the assessable amount") shall be taken into account in the following manner:—

- (a) Where the whole premium (or sum of the premiums, as the case may be) is received by him in the year of income—the whole of the assessable amount shall be included in his assessable income.
- (b) Where part only of the sum of the premiums is received by him in the year of income—a proportionate part of the assessable amount shall be included in his assessable income.

"(4.) Where a taxpayer, who in the year of income is the lessee from the Crown of land used for primary production for the purpose of producing assessable income, has, prior to the first day of January, One thousand nine hundred and thirty-seven, paid any premium for or in connexion with the assignment to him of the lease, a proportionate part of the amount of that premium, arrived at by distributing that

amount proportionately over the period of the lease unexpired at the date when the premium was paid, shall be an allowable deduction.

“(5.) Where a taxpayer, who in the year of income is the lessee from the Crown of land used for primary production for the purpose of producing assessable income, has incurred expenditure in making improvements, not subject to tenant rights, which, prior to the first day of January, One thousand nine hundred and thirty-seven, he was required to make under the provisions of the lease, a proportionate part of the amount of that expenditure, arrived at by distributing that amount proportionately over the period of the lease unexpired at the date when the expenditure was incurred, shall be an allowable deduction. In calculating the deduction under this sub-section, expenditure in excess of the amount, if any, specified in the lease shall not be taken into account.

“(6.) Where, upon the death of any person, a taxpayer succeeds to any lease from the Crown of land used for primary production, or any share therein, the following provisions shall apply:—

(a) In ascertaining the assessable amount for the purposes of sub-section (3.) of this section—

(i) any premium paid by the deceased person for the lease, or part thereof proportionate to the taxpayer's share in the lease; or

(ii) any deduction allowed to the deceased person under this Act or under any previous law of the Commonwealth in respect of that lease, or part thereof proportionate to the taxpayer's share in the lease,

shall be taken into account as if the premium (or the part thereof) had been paid by or the deduction (or the part thereof) had been allowed to the taxpayer.

(b) Where the deceased person had paid any premium as specified in sub-section (4.) of this section or incurred any expenditure as specified in sub-section (5.) of this section, the taxpayer shall be entitled to the same deduction, or part thereof proportionate to his share in the lease, as the deceased person would have been entitled to under this section had he lived.”.

**Rebate in case of double and treble taxation.**

**Amendment of assessments.**

**Commissioner may collect tax from person owing money to taxpayer.**

**15.** Section one hundred and fifty-nine of the Principal Act is amended by omitting the word “non-resident” (wherever occurring).

**16.** Section one hundred and seventy of the Principal Act is amended by omitting from sub-section (2.) the words “the Commissioner is of opinion that”.

**17.** Section two hundred and eighteen of the Principal Act is amended—

(a) by inserting in sub-section (1.), after the word “may” (first occurring), the words “at any time, or from time to time”;

(b) by omitting from sub-section (1.) all the words after the words "to pay to" and inserting in their stead the words "the Commissioner, either forthwith upon the money becoming due or being held, or at or within a time specified in the notice (not being a time before the money becomes due or is held)—

(i) so much of the money as is sufficient to pay the amount due by the taxpayer in respect of any tax and of any fines and costs imposed upon him under this Act, or the whole of the money when it is equal to or less than that amount; or

(ii) such amount as is specified in the notice out of each of any payments which the person so notified becomes liable from time to time to make to the taxpayer, until the amount due by the taxpayer in respect of any tax and of any fines and costs imposed upon him under this Act is satisfied,

and may at any time, or from time to time, amend or revoke any such notice, or extend the time for making any payment in pursuance of the notice." ; and

(c) by omitting sub-section (3.)

18. Section two hundred and fifty-three of the Principal Act is repealed.

Deduction of special property tax from preference shareholders. Application of Act.

19. The amendments effected by this Act shall apply to all assessments for the financial year beginning on the first day of July, One thousand nine hundred and thirty-six and all subsequent years.

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## PETROLEUM OIL SEARCH (No. 2).

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### No. 89 of 1936.

### An Act to amend the *Petroleum Oil Search Act* 1936.

[Assented to 7th December, 1936.]

**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.—(1.) This Act may be cited as the *Petroleum Oil Search Act* (No. 2) 1936.

Short title and citation.