

“(3.) The total amount payable under this section in respect of any year shall be divided amongst the States in the proportions in which the amount of Forty million pounds is divided amongst the States in the table set out in the First Schedule to this Act.

“(4.) If any State is not entitled to receive a grant under this section in respect of any year, the amounts payable under this section to the remaining States shall not thereby be increased.”.

INCOME TAX ASSESSMENT (NO. 2).

No. 63 of 1947.

An Act to amend the *Income Tax Assessment Act 1936-1946*, as amended by the *Income Tax Assessment Act 1947*, and for other purposes.

[Assented to 4th December, 1947.]

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) 1947*.

Short title
and citation.

(2.) The *Income Tax Assessment Act 1936-1946**, as amended by the *Income Tax Assessment Act 1947†*, is in this Act referred to as the Principal Act.

(3.) Section one of the *Income Tax Assessment Act 1947* is amended by omitting sub-section (3.).

(4.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Act 1936-1947*.

2. This Act shall come into operation on the day on which it receives the Royal Assent.

Commencement.

3. Section five of the Principal Act is amended—

Parts.

(a) by inserting after the words “Division 9.—Co-operative and Mutual Companies.” the words “Division 9A.—Friendly Society Dispensaries.”; and

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; Nos. 3 and 28, 1944; Nos. 4 and 37, 1945; and No. 6, 1946.

† Act No. 11, 1947.

(b) by omitting the words "Collection of Income Tax by Instalments." and inserting in their stead the words "Collection of Income Tax and Social Services Contribution by Instalments."

Exemptions.

4. Section twenty-three of the Principal Act is amended—

(a) by inserting in paragraph (g), before the words "the income", the words "subject to Division 9A of this Part,";

(b) by omitting paragraph (s); and

(c) by inserting in sub-paragraph (i) of paragraph (t), after the word "dependants'", the words "and exchange".

Certain items of assessable income.

5. Section twenty-six of the Principal Act is amended by inserting at the end of paragraph (ea) the following proviso :—

"Provided that the total value of all allowances so given or granted to a taxpayer by way of meals, sustenance or the use of premises or quarters (including payment in lieu of one or more of those allowances) shall be deemed to be an amount calculated at the rate of One pound per week ;".

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

6. Section fifty-one A of the Principal Act is amended by inserting in the definition of "employee" in sub-section (3.), after the word "Act", the words " , except that it does not include any member of the Defence Force".

Gifts and contributions.

7. Section seventy-eight of the Principal Act is amended by omitting from sub-section (3.) the word "two" and inserting in its stead the word "three".

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

Deduction for members of Defence Force serving overseas.

"79B.—(1.) In the case of a taxpayer who, during the year of income, serves as a member of the Defence Force at an overseas locality, 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.

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

(a) where the total period of service of the taxpayer at overseas localities during the year of income is more than one half of the year of income, or where the taxpayer dies at an overseas locality during the year of income—One hundred and twenty pounds ;

(b) in any other case—such amount, not being more than One hundred and twenty pounds, as, in the opinion of the Commissioner, is reasonable in the circumstances.

“(3.) For the purposes of the last preceding sub-section, the total periods of service of the taxpayer in any year of income at overseas localities shall be deemed to include any period of service of the taxpayer as a member of the Defence Force in that year of income in the prescribed area.

“(4.) The aggregate of the deductions allowable under this section and under the last preceding section shall not exceed One hundred and twenty pounds.

“(5.) For the purposes of this section the Treasurer may, by writing signed by him and deposited with the Commissioner, declare that a locality outside Australia and the Territory of New Guinea specified in the declaration shall—

(a) by reason of the uncongenial nature of service in that locality and the isolation of the locality, be, or be deemed to have been, as from a date, or during a period, (whether before or after the date of the declaration) specified in the declaration, a locality in relation to which this section applies; or

(b) as from a date (whether before or after the date of the declaration) specified in the declaration, cease, or be deemed to have ceased, to be such a locality,

and this section shall apply, or be deemed to have applied, and shall cease to apply, or be deemed to have ceased to apply, in relation to any such locality accordingly.

“(6.) For the purpose of this section—

‘overseas locality’ means, in relation to service during any period or death at any time, a locality in relation to which, during that period or at that time, this section applies or is deemed to have applied; and

‘the prescribed area’ has the same meaning as that expression has in the last preceding section.”.

9. Section eighty-one of the Principal Act is repealed.

Deduction for
member of
Defence Force,
&c.

10. The Principal Act is amended by inserting after Division 9 of Part III. the following Division :—

“Division 9A.—Friendly Society Dispensaries.

“121A. Where a friendly society dispensary, as defined in section ten of the *Pharmaceutical Benefits Act* 1947, is an approved pharmaceutical chemist for the purposes of that Act, fifteen per centum of the aggregate of the following amounts shall be deemed to be taxable income derived by that friendly society dispensary :—

Friendly
society
dispensaries.

(a) amounts received by the friendly society dispensary from the Commonwealth under the *Pharmaceutical Benefits Act* 1947 in respect of the supply of pharmaceutical benefits; and

(b) the gross proceeds derived by the friendly society dispensary from the sale or supply of medicines and other goods sold or supplied in the ordinary course of business, including special charges made in pursuance of the *Pharmaceutical Benefits Act 1947* but not including amounts received from a friendly society for the supply of benefits to the members of that friendly society.

“121B. A friendly society dispensary to which the last preceding section applies shall, for the purposes of this Act, be deemed to be a company other than a private company.

“121c. This Division shall not apply in relation to amounts derived by a friendly society dispensary before the date on which the approval of that friendly society dispensary in respect of any premises under the *Pharmaceutical Benefits Act 1947* becomes operative.”.

**Application
of Part.**

11. Section one hundred and sixty E of the Principal Act is amended—

(a) by omitting from paragraph (b) the word “or” (last occurring); and

(b) by adding at the end thereof the following word and paragraph:—

“; or (d) a friendly society dispensary to which Division 9A of Part III. of this Act applies.”.

**Remuneration
of members.**

12. Section one hundred and eighty-two of the Principal Act is amended by omitting the words “Ten thousand pounds” and inserting in their stead the words “Twenty thousand pounds”.

13.—(1.) Division 2 of Part VI. of the Principal Act is repealed and the following Division inserted in its stead:—

“Division 2.—Collection of Income Tax and Social Services Contribution by Instalments.

Definitions.

“221A.—(1.) In this Division, unless the contrary intention appears—

‘deduction’ means a deduction under section two hundred and twenty-one c or section two hundred and twenty-one d of this Act from the salary or wages of an employee;

‘employee’ means a person who receives, or is entitled to receive, salary or wages, and—

(a) includes a member of the Parliament and a person employed by the Commonwealth or by an authority of the Commonwealth;

(b) where the Governor-General has entered into an arrangement with the Governor in Council of a State in accordance with section two hundred and twenty-one B of this Act, subject to the terms of the arrangement, includes a member of the Parliament of that State and a person employed by that State or by an authority of that State; and

(c) includes a member of the Defence Force;

'employer' means a person who pays or is liable to pay any salary or wages, and includes—

- (a) in the case of an unincorporate body of persons other than a partnership—the manager or other principal officer of that body ; and
- (b) in the case of a partnership—each partner, and, except in relation to the imposition of a penalty—
- (c) also includes the Commonwealth and an authority of the Commonwealth ; and
- (d) where the Governor-General has entered into an arrangement with the Governor in Council of a State in accordance with section two hundred and twenty-one B of this Act, subject to the terms of the arrangement, also includes that State and an authority of that State ;

'group certificate' means a certificate in a form authorized by the Commissioner issued by a group employer, or by or on behalf of an authority with which an arrangement has been entered into in pursuance of section two hundred and twenty-one S of this Act, to an employee in accordance with this Division in respect of deductions made from the salary or wages of the employee ;

'group employer' means a person who is registered as a group employer under section two hundred and twenty-one F of this Act ;

'interim stamps receipt' means an interim stamps receipt issued in pursuance of section two hundred and twenty-one H of this Act ;

'salary or wages' means salary, wages, commission, bonuses or allowances paid (whether at piece-work rates or otherwise) to an employee as such, and, without limiting the generality of the foregoing, includes any payments made—

- (a) under a contract which is wholly or substantially for the labour of the person to whom the payments are made ;
- (b) by a company by way of remuneration to a director of that company ;
- (c) by way of superannuation, pension or retiring allowance ;
- (d) by way of commission to an insurance or time-payment canvasser or collector ; or
- (e) by way of allowance under the *Re-establishment and Employment Act 1945* or payments of a like nature,

but does not include payments of exempt income ;

'tax check' means a tax check attached, or which has been attached, to a tax stamp ;

'tax check sheet' means the portion of a tax deduction sheet provided for the affixing of tax checks ;

- ' tax deduction sheet ' means a sheet kept by an employer in pursuance of section two hundred and twenty-one G of this Act ;
- ' tax payable by the employee ' means income tax, or contribution under the *Social Services Contribution Assessment Act 1945-1947*, which is or may become due and payable by an employee under an assessment made or to be made on a return which he has furnished or has been required to furnish, or may be required to furnish, or under an assessment made or to be made in default of any such return ;
- ' tax stamp ' means a stamp which the Commissioner has caused to be prepared in pursuance of this Division ;
- ' tax stamps certificate ' means the portion of a tax deduction sheet provided for the certification by the employer of the amount of the deductions made from the salary or wages of an employee ;
- ' tax stamps sheet ' means the portion of a tax deduction sheet provided for the affixing of tax stamps ;
- ' year of income ' includes a year of contribution as defined in the *Social Services Contribution Assessment Act 1945-1947*.

" (2.) In this Division any reference to this Division, or to a section contained in this Division, shall, unless the contrary intention appears, be deemed to include a reference to Division 2 of Part VI. of, or to the corresponding section contained in, the *Income Tax Assessment Act 1936-1940*, or that Act as amended, and to that Division or section as applied by the *Social Services Contribution Assessment Act 1945*, or by that Act as amended.

Arrangements
for deductions
by States.

" 221B.—(1.) The Governor-General may enter into an arrangement with the Governor in Council of a State providing for the carrying out by the State (including any authority of the State) of the obligations imposed by this Division on employers.

" (2.) The arrangement may make provision for any other matters necessary or convenient to be provided for carrying out the arrangement.

Deductions by
employer from
salary or
wages.

" 221C.—(1.) For the purpose of enabling the collection by instalments from employees of income tax, and contribution under the *Social Services Contribution Assessment Act 1945-1947*, where an employee receives or is entitled to receive from an employer in respect of a week or part thereof salary or wages in excess of Two pounds, the employer shall, at the time of paying the salary or wages, make a deduction therefrom at such rate as is prescribed.

Penalty : Twenty pounds.

" (2.) For the purposes of this section, where an employee receives from an employer salary or wages, he shall—

- (a) if the salary or wages is or are paid in respect of piece-work performed by the employee, or in respect of services rendered under a contract which is wholly or substantially for the labour of the employee—be deemed to be entitled

to receive that salary or those wages in respect of the period of time from the commencement of the performance of the work or services until the completion of the work or services ;

- (b) if the salary or wages is or are paid in respect of any other service performed or rendered but not in respect of a period of time—be deemed to be entitled to receive that salary or those wages in respect of the period of fifty-two weeks preceding the date upon which the salary or wages is or are received by him ; and
- (c) if he is entitled, or deemed to be entitled, to receive the salary or wages in respect of a period of time in excess of one week—be deemed to be entitled to receive, in respect of each week or part of a week in that period, an amount of that salary or those wages ascertained by dividing the salary or wages by the number of days in the period and multiplying the resultant amount—
 - (i) in the case of each week—by seven ; and
 - (ii) in the case of a part of a week—by the number of days in the part of a week.

“(3.) Where salary or wages for, or deemed to be received in respect of, a week or part of a week is or are paid in two or more separate sums, all sums so paid shall, for the purpose of computing the amount of the deduction under this section, be aggregated and the employer may, at his option, make the deduction wholly from one sum or in part from each of any two or more sums.

“(4.) Subject to the next succeeding sub-section, where an employee receives from his employer, in addition to his salary or wages, meals, sustenance or the use of premises or quarters as part consideration for his services, he shall, for the purpose of computing the amounts of deductions under this section, be deemed to receive as salary or wages, in addition to any money actually payable to him—

- (a) in respect of each week or part thereof during which he receives the meals or sustenance—an amount calculated at the rate of Fifteen shillings per week ; and
- (b) in respect of each week or part thereof during which he receives the use of premises or quarters—an amount calculated at the rate of Five shillings per week.

“(5.) Where an employee is employed under the terms of an award, order or determination of an industrial tribunal, or under an industrial agreement, and the award, order, determination or agreement specifies the value of sustenance or quarters, or both, provided by an employer to an employee of that class, or provides that in lieu of providing an employee of that class with sustenance or quarters, or both, an employer shall pay a money allowance to

the employee, the employee shall, for the purpose of computing the amounts of deductions under this section, be deemed to receive as salary or wages, in addition to any other amount received by him—

- (a) in respect of each week or part thereof during which he receives sustenance from the employer ;
- (b) in respect of each week or part thereof during which he occupies quarters provided for him by the employer ; or
- (c) in respect of each week or part thereof during which he receives sustenance from the employer and occupies quarters provided for him by the employer,

an amount calculated at the value specified therefor by the award, order, determination or agreement, or at the rate of the money allowance which would have been payable in lieu thereof under the award, order, determination or agreement, as the case may be.

“ (6.) Notwithstanding anything contained in this section, where an employee receives from his employer an allowance or benefit, in respect of a 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 amount of 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.

Variation of deductions.

“ 221D.—(1.) Notwithstanding anything contained in the last preceding section, the Commissioner may vary the amounts to be deducted from the salary or wages of an employee or a class of employees for the purpose of meeting the special circumstances of any case or class of cases.

“ (2.) Where the Commissioner so varies the amounts to be deducted, he shall notify the employer of the employee or class of employees, in writing, of the variation, and the employer shall thereafter make deductions from the salary or wages payable to the employee or employees in accordance with the amounts so notified.

Penalty : Twenty pounds.

Certificates of exemption.

“ 221E.—(1.) The Commissioner may issue to an employee a certificate that no deductions need, during the period specified in the certificate, be made from the salary or wages of that employee.

“(2.) During the period specified in the certificate the provisions of sections two hundred and twenty-one c and two hundred and twenty-one d of this Act shall not apply, in relation to salary or wages of the employee named in the certificate, to an employer to whom the certificate, bearing the signature of the employee, is exhibited at the time of the payment of the salary or wages.

“(3.) The Commissioner may, at any time, cancel a certificate issued under this section, and, within twenty-one days after the Commissioner has notified him of any such cancellation, the person named in the certificate shall return the certificate to the Commissioner.

Penalty : Twenty pounds.

“(4.) A person shall not—

- (a) alter a certificate issued under this section or exhibit to an employer any such certificate which has been altered without the authority of the Commissioner ;
- (b) without lawful excuse, proof whereof shall lie upon him, have in his possession a colourable imitation of any such certificate ;
- (c) falsely pretend to be the person named in any such certificate ;
or
- (d) cause an employer to refrain from making a deduction from his salary or wages by the production of a document other than a certificate issued to him under this section and for the time being in force.

Penalty : Fifty pounds.

“221F.—(1.) An employer who, during a period of twelve months ending on the thirty-first day of May in any year, has ordinarily had in his employment ten or more employees from whose salary or wages he has been required to make deductions shall, unless he is already registered as a group employer, apply to the Commissioner, not later than the fourteenth day of June in that year, in a form authorized by the Commissioner, for registration as a group employer.

Group
employers.

“(2.) An employer who is not already registered as a group employer and who commences to carry on a business or becomes an employer and who, in consequence thereof, has in his employment ten or more employees from whose salary or wages he is required to make deductions shall, within seven days after commencing to carry on the business or after becoming an employer, as the case may be, apply to the Commissioner, in a form authorized by the Commissioner, for registration as a group employer.

“(3.) The Commissioner may register as a group employer any employer, or any person acting on behalf of two or more employers, whether or not he is required by this section to apply for registration as a group employer, and may at any time cancel the registration of a group employer, and shall notify the group employer in writing that he has been so registered or that his registration has been cancelled, as the case may be.

“(4.) An employer registered as a group employer shall, notwithstanding any change in the number of his employees, remain registered as a group employer until notified by the Commissioner that his registration has been cancelled.

“(5.) A group employer shall—

- (a) not later than the seventh day of the month next succeeding a month in which he has made deductions, pay to the Commissioner the amount of the deductions so made ;
- (b) not later than the fourteenth day of July in each year, issue to each employee a group certificate setting out the total of the amounts of the deductions made by him as a group employer from the salary or wages of that employee during the period of twelve months which ended on the thirtieth day of June in that year, other than amounts which have been included in a group certificate previously issued to that employee ;
- (c) within seven days after an employee ceases to be employed by him, issue to that employee a group certificate setting out the total of the amounts of the deductions made by him as a group employer from the salary or wages of that employee, other than amounts which have been included in a group certificate previously issued to that employee ;
- (d) upon production to him by an employee of a certificate issued to that employee in pursuance of section two hundred and twenty-one E of this Act, where the certificate is so produced during the period specified in the certificate, issue to that employee a group certificate setting out the total of the amounts of the deductions made by him as a group employer from the salary or wages of that employee, other than amounts which have been included in a group certificate previously issued to that employee ;
- (e) at the time of issuing to an employee a group certificate, issue to that employee a copy of that certificate ; and
- (f) not later than the fourteenth day of August in each year, furnish to the Commissioner—
 - (i) a copy of each group certificate issued by him to each employee in respect of deductions made by him during the period of twelve months which ended on the thirtieth day of June in that year ; and
 - (ii) a statement in a form authorized by the Commissioner, signed by the group employer, reconciling the total of the amounts of the deductions shown in each of those copies of group certificates with the total of the amounts paid to the Commissioner in respect of those deductions.

“(6.) A group employer to whom the Commissioner has supplied any group certificate forms in respect of any year of income or has allotted any serial numbers to be marked on group certificate forms

in respect of any year of income shall, not later than the fourteenth day of August next following the end of that year, forward to the Commissioner any of those forms, and any forms marked with any of those numbers, which have not been issued as group certificates.

“(7.) The Commissioner may, by notice in writing served on a group employer, vary, in relation to that group employer, in such instances and to such extent as he thinks fit, any of the requirements of sub-section (5.) of this section, and that group employer shall comply with those requirements as so varied.

“(8.) Where, by reason of a notice given under the last preceding sub-section, a group certificate is not required to be issued in respect of a deduction made by a group employer, the Commissioner shall apply the provisions of section two hundred and twenty-one H of this Act as if a group certificate in respect of the deduction had been received by him.

“(9.) Where the Commissioner has credited in payment of tax, or made a payment in respect of, an amount shown in a group certificate which is in excess of the amount which the group employer by whom the certificate was issued has deducted from the salary or wages of the employee to whom the certificate was issued in respect of the period specified in the certificate —

- (a) the group employer shall be liable to pay to the Commissioner the amount of the excess; and
- (b) the group employer may sue for and recover from the employee as a debt due to him any amount paid to or recovered by the Commissioner in pursuance of this sub-section.

“(10.) If any amount payable to the Commissioner by a group employer under this section remains unpaid after the time when it becomes payable, an additional amount shall be payable at the rate of ten per centum per annum on the amount unpaid computed from that time :

Provided that the Commissioner may in any case, for reasons which he thinks sufficient, remit the additional amount or any part thereof.

“(11.) An employer who contravenes, or fails to comply with, any provision of this section which is applicable to him shall be guilty of an offence.

“(12.) The penalty for any failure to comply with paragraph (a) of sub-section (5.) of this section, or with the requirements of that paragraph as varied in pursuance of sub-section (7.) of this section, shall be a fine not exceeding Five hundred pounds or imprisonment for a term not exceeding six months, and the penalty for any other offence under this section shall be a fine not exceeding One hundred pounds.

Employers
other than
group
employers.

“ 221G.—(1.) An employer, other than a group employer, who pays to an employee salary or wages from which he is required to make a deduction shall, in respect of that employee, keep a tax deduction sheet in a form authorized by the Commissioner, and shall—

- (a) at the time of paying salary or wages to that employee, enter in the spaces provided for the purpose on the tax deduction sheet the amount of the salary or wages before making any deduction and the amount of any deduction made ;
- (b) purchase, and securely affix in the space provided for the purpose on the tax stamps sheet—
 - (i) not later than the last day of every successive period of four weeks commencing, in every year, with the period ending on the twenty-eighth day of July in that year ; and
 - (ii) where the employment of the employee is terminated—on the last day of the period commencing at the close of the last such complete period of four weeks preceding the termination and ending on the date on which the employer makes the last payment of salary or wages to that employee,

tax stamps of a face value equal to the amount of the deductions made by him from the salary or wages of that employee paid during that period :

Provided that, for the purposes of this paragraph, the period commencing at the close of the twelfth period of four weeks in every financial year and ending on the thirtieth day of June in that year shall be deemed to be a period of four weeks ; and

- (c) at the time of affixing a tax stamp—
 - (i) securely affix the corresponding tax check in the space provided for the purpose on the tax check sheet ; and
 - (ii) cancel the tax stamp and tax check by writing his name thereon in ink.

“ (2.) An employer who has kept a tax deduction sheet in respect of an employee shall—

- (a) complete and sign the tax stamps certificate and deliver it, together with the tax stamps sheet, to that employee—
 - (i) on the first day of July next following the period covered by the tax stamps certificate ;
 - (ii) on the day of making the last payment of salary or wages to that employee, if he is an employee whose employment has been terminated ; or
 - (iii) upon the production to him by that employer of a current certificate issued to that employer under section two hundred and twenty-one E of this Act,

whichever is the earliest ; and

(b) not later than fourteen days after the end of each year ending on the thirtieth day of June—

- (i) sign the tax check sheets for that year in respect of his employees ; and
- (ii) forward those sheets to the Commissioner together with a summary, in a form authorized by the Commissioner, of the salaries or wages referred to in the sheets.

“(3.) An employer shall take all reasonable precautions for the safe custody of all tax deduction sheets to which he has affixed tax stamps or tax checks until delivery thereof in accordance with this section, and shall comply with a request of an employee for the production, at a reasonable time, for inspection by the employee, of the tax deduction sheet kept in respect of that employee.

“(4.) An employer shall, at the written requirement of the Commissioner or an officer authorized in writing by the Commissioner to make such requirements, produce, within the time and at the place specified in that requirement, the tax deduction sheets kept in respect of his employees.

“(5.) An employer who contravenes, or fails to comply with, any provision of this section which is applicable to him shall be guilty of an offence.

“(6.) The penalty for any failure to comply with paragraph (b) of sub-section (1.) of this section shall be a fine not exceeding Five hundred pounds or imprisonment for a term not exceeding six months, and the penalty for any other offence under this section shall be a fine not exceeding One hundred pounds.

“221H.—(1.) An employee shall forward any tax stamps sheet and any group certificate issued to him in respect of deductions made in any year of income from his salary or wages to the Commissioner with the return which he is required under section one hundred and sixty-one of this Act to furnish in respect of that year of income.

Application
of deductions
in payment of
tax.

“(2.) Where the Commissioner receives from an employee a tax stamps sheet or a group certificate, or both, in respect of deductions made in any year of income from his salary or wages, and the tax payable by the employee in respect of that year of income has been assessed, the Commissioner shall—

- (a) if the sum of the amount represented by the face value of the tax stamps duly affixed to any such tax stamps sheet and the amount of the deductions shown in any such group certificate does not exceed the tax payable by the employee in respect of that year of income—credit that sum in payment or part payment of that tax ;
- (b) if that sum exceeds that tax—credit so much of that sum as is required in payment of that tax and any other tax payable by the employee, and pay to the employee an amount equal to any excess ; or

(c) if he is satisfied that there is no tax payable by the employee—
pay to the employee an amount equal to that sum.

“(3.) If the amount credited by the Commissioner in pursuance of the foregoing provisions of this section is less than the amount of tax payable by the employee, the Commissioner may credit in payment or part payment of that tax an amount equal to the face value of any tax stamps duly affixed to any other tax stamps sheet received by him from the employee or an amount equal to the amount of any deductions shown in any other group certificate received by him from the employee if he is satisfied that it is desirable to do so by reason of special circumstances and that the amounts of the deductions, not so credited, which have been, or will have been, made from the salary or wages of the employee prior to the close of the year of income to which that other tax stamps sheet or group certificate relates will be sufficient to pay the tax payable by the employee in respect of that year of income.

“(4.) If the amount credited by the Commissioner in pursuance of the foregoing provisions of this section is less than the amount of tax payable by the employee—

(a) the Commissioner shall apply the amount so credited in payment, so far as that amount extends, of such tax payable by the employee as the Commissioner determines and that amount shall be deemed to have been paid by the employee in satisfaction, to that extent, of that tax, and not otherwise ; and

(b) the employee shall be liable or continue to be liable (as the case may be) to pay the remainder of the tax payable by the employee on the date or dates specified in the notice or notices of assessment.

“(5.) Where in pursuance of sub-section (3.) of this section, the Commissioner credits in payment or part payment of any tax payable by the employee part only of the amount represented by the face value of the tax stamps affixed to a tax stamps sheet or of the amount of any deductions shown in a group certificate, he shall issue to the employee an interim stamps receipt showing an amount equal to so much of the face value of the tax stamps or of the amount shown in the certificate, as the case may be, as is not so credited :

Provided that where the amount which would be shown in an interim stamps receipt is less than One pound, the Commissioner shall, instead of issuing an interim stamps receipt, pay that amount to the employee.

“(6.) The Commissioner shall deface all tax stamps and group certificates in respect of which he credits an amount, makes a payment or issues an interim stamps receipt and shall retain them for such period as he thinks fit, after which he shall cause them to be destroyed.

“(7.) If the Commissioner has reason to believe that a group certificate received by him for the purposes of this section is incorrect in any particular, he may retain that group certificate for such period

as he thinks fit, and shall not deal with the certificate as required by the foregoing provisions of this section until he is satisfied as to the correctness of that certificate.

“ 221J.—(1.) Subject to this Division, the provisions of this Division shall apply in relation to an interim stamps receipt as if it were a group certificate issued to the employee in accordance with this Division for an amount of deductions equal to the amount for which the receipt is issued and made from the salary or wages of the employee in the year of income specified in the receipt.

Interim stamps receipts.

“ (2.) An interim stamps receipt shall not be liable to stamp duty or other tax under any law of the Commonwealth or of any State or Territory of the Commonwealth.

“ (3.) Except in accordance with the provisions of this Division or with the consent of the Commissioner, a person shall not sell or otherwise dispose of, or purchase or otherwise acquire, an interim stamps receipt.

Penalty: Fifty pounds.

“ 221K.—(1.) A taxpayer, not being an employee, may, at any time, purchase tax stamps from a person licensed or authorized by the Commissioner to sell tax stamps.

Use of tax stamps by persons other than employees.

“ (2.) Where a taxpayer who has lawfully purchased tax stamps surrenders them, together with the corresponding tax checks, to the Commissioner, the Commissioner shall—

- (a) if the amount represented by the face value of the stamps is not greater than the tax and social services contribution payable by the taxpayer—credit that amount, so far as it extends, and in such manner as he thinks fit, in payment of that tax and social services contribution; or
- (b) if the amount represented by the face value of the stamps is greater than the tax and social services contribution payable by the taxpayer—
 - (i) credit so much of that amount as is required in payment of that tax and social services contribution; and
 - (ii) pay to the taxpayer an amount equal to the amount of the excess.

“ (3.) The Commissioner shall deface all tax stamps surrendered to him in accordance with this section and shall retain them for such period as he thinks fit, after which he shall cause them to be destroyed.

“ 221L.—(1.) If the Commissioner is satisfied that a tax stamp duly affixed to a tax stamps sheet, or a group certificate, has been stolen, lost or destroyed, and is satisfied as to the face value of that stamp, or the amount of the deductions shown in that group certificate, the Commissioner shall apply the provisions of section two hundred and twenty-one H of this Act in the same manner as if the tax stamps sheet, with that stamp duly affixed, or the group certificate, had been received by the Commissioner.

Stamps or certificates stolen, lost or destroyed.

“(2.) Where the Commissioner has applied the provisions of the last preceding sub-section in respect of a tax stamp or group certificate, no person shall be entitled to receive any further benefit on production of that stamp or certificate, and a person who thereafter has that stamp or certificate in his possession shall forthwith forward it to the Commissioner together with a statement of the circumstances of his possession.

Penalty : Twenty pounds.

Powers of
Commissioner
in relation to
stamps, &c.

“221M.—(1.) The Commissioner, or an officer authorized in that behalf by the Commissioner, may require a person to deliver to him a tax stamp, tax stamps sheet, or group certificate which is in the person's possession, and a person so required shall deliver the tax stamp, tax stamps sheet or group certificate to the Commissioner or authorized person accordingly.

Penalty : Fifty pounds.

“(2.) If the Commissioner suspects that a tax stamp, tax stamps sheet or group certificate received by him has been obtained in a manner not authorized by this Division, he may retain that stamp, tax stamps sheet, or group certificate for such period as he thinks fit and shall not grant any benefit in respect thereof unless and until he is satisfied as to the identity of the person who is entitled to receive that benefit.

Recovery of
amounts not
deducted.

“221N.—(1.) Where an employer fails to make any deductions he shall, in addition to any penalty for which he may be liable, be liable to pay to the Commissioner the amount which he has failed to deduct, and the Commissioner may sue for and recover the amount which the employer is so liable to pay in any court of competent jurisdiction, or the court before which any proceedings for an offence are taken may order the employer to pay that amount to the Commissioner.

“(2.) The Commissioner shall apply any amount so recovered by or paid to him in or towards payment of the tax payable by the employee.

“(3.) The employer may recover from the employee any amount which he has failed to deduct and which he has paid to the Commissioner, or which has been recovered from him by the Commissioner, in pursuance of sub-section (1.) of this section.

Employer not
accounting for
deductions.

“221P.—(1.) Where an employer makes a deduction for the purposes of this Division, or purporting to be for those purposes, from the salary or wages paid to an employee and fails to deal with the amount so deducted in the manner required by this Division, or to affix tax stamps of a face value equal to the amount of the deduction as required by this Division, as the case may be, he shall be liable, and where his property has become vested in a trustee, the trustee shall be liable, to pay that amount to the Commissioner.

“(2.) Notwithstanding anything contained in any other Act or State Act, an amount payable to the Commissioner by a trustee in pursuance of this section shall have priority over all other debts, whether preferential, secured or unsecured.

“221q.—(1.) Where the Commissioner is satisfied that an employer has made deductions from the salary or wages of an employee and has failed to issue a group certificate or to deliver a tax stamps sheet in respect of those deductions to the employee within the period prescribed by this Division, the Commissioner may—

Employer failing to issue group certificate or deliver tax stamps sheet.

- (a) apply an amount equal to the amount of the deductions in satisfaction of any tax payable by the employee ; or
- (b) issue an interim stamps receipt or make a payment in respect thereof,

in the same manner as if a group certificate in respect of the deductions had been received by the Commissioner.

“(2.) Where the Commissioner has applied the provisions of this section in relation to any deductions, no person shall be entitled to receive any further benefit on production of a group certificate or tax stamps sheet in respect of those deductions.

“221r.—(1.) An amount payable to the Commissioner under the provisions of this Division shall be a debt due to the King on behalf of the Commonwealth and payable to the Commissioner, and may be sued for and recovered in any court of competent jurisdiction by the Commissioner or a Deputy Commissioner suing in his official name.

Recovery of amounts by Commissioner.

“(2.) In an action against a person for the recovery of an amount payable to the Commissioner under the provisions of this Division, a certificate in writing signed by the Commissioner, the Second Commissioner, a Deputy Commissioner or a prescribed delegate of the Commissioner, certifying that—

- (a) the person named in the certificate is, or was, on the date specified in the certificate, a group employer, or an employer other than a group employer, as the case may be ; and
- (b) the sum specified in the certificate was, at the date of the certificate, due by that person to the King on behalf of the Commonwealth in respect of amounts payable to the Commissioner under the provisions of this Division,

shall be *prima facie* evidence of the matters stated in the certificate.

“221s.—(1.) The Commissioner may enter into an arrangement with an authority in Australia of the Government of a country other than the Commonwealth, or with a prescribed organization, providing for deductions to be made from the salary or wages of persons who are or become employed by that Government through that authority, or by that organization.

Arrangements with authorities of other countries.

“(2.) A 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) he became or becomes included in that class of persons ; or
- (b) 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 later, 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.

“(3.) The production of a copy of the *Gazette* containing a notice by the Commissioner that an arrangement under sub-section (1.) 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.

“(4.) The amount of a deduction made in pursuance of an authority given under sub-section (2.) of this section shall be paid to the Commissioner and the Commissioner shall apply the provisions of section two hundred and twenty-one H of this Act as if a group certificate in respect of the deduction had been received by him.

Sale of tax stamps.

“221r.—(1.) The Commissioner shall cause to be prepared and placed on sale tax stamps, with tax checks attached, of such designs and denominations as he thinks fit.

“(2.) Unless licensed or authorized by the Commissioner so to do, a person shall not sell or offer for sale any tax stamp.

Penalty : One hundred pounds.

“(3.) Except in accordance with the provisions of this Division, a person shall not dispose of any tax stamp, or obtain any tax stamp otherwise than by purchase from a person licensed or authorized by the Commissioner to sell tax stamps.

Penalty for any contravention of this sub-section : One hundred pounds.

Payments to and from Consolidated Revenue Fund.

“221u. All moneys received by the Commissioner in pursuance of this Division shall form part of the Consolidated Revenue Fund, and there shall be payable out of that Fund (which is, to the necessary extent, hereby appropriated accordingly) such amounts as the Commissioner becomes liable to pay in accordance with the provisions of this Division.

“ 221v. A person shall not—

Offences.

- (a) present any document under the hand of the Commissioner for the purpose of obtaining credit with respect to, or a payment of, the amount of a deduction made from the salary or wages of a person other than the person named in the document ;
- (b) present any document under the hand of the Commissioner and falsely pretend to be the person named therein for the purpose of obtaining credit or payment under this Division ;
- (c) endeavour to obtain for his own advantage or benefit credit with respect to, or a payment of, the amount of a deduction made from the salary or wages of another person ;
- (d) fraudulently remove or cause to be removed from a tax stamps sheet a tax stamp affixed thereto, or affix a tax stamp so removed to another tax stamps sheet ;
- (e) utter a tax stamp which has to his knowledge been fraudulently removed from a tax stamps sheet or which has come into his possession otherwise than in pursuance of this Division ; or
- (f) present, for the purpose of obtaining credit, payment or other benefit—
 - (i) a group certificate, or document purporting to be a group certificate, other than a group certificate duly issued to him in respect of the amount shown in the certificate ; or
 - (ii) a tax stamps sheet, or document purporting to be a tax stamps sheet, to which a tax stamp is affixed, other than a tax stamps sheet duly delivered to him with that tax stamp so affixed.

Penalty : Not less than Two pounds or more than Five hundred pounds, or imprisonment for six months.

“ 221w.—(1.) Charges against the same person for any number of offences against the foregoing provisions of this Division may be joined in one complaint if those charges are founded on the same facts or form, or are part of, a series of offences of the same or a similar character.

Joinder of charges under this Division.

“ (2.) Where more than one such charge is included in the same complaint, particulars of each offence charged shall be set out in a separate paragraph.

“ (3.) All charges so joined shall be tried together unless the Court deems it just that any charge should be tried separately and makes an order to that effect.

“ (4.) If a person is found guilty of more than one offence, the Court may, if it thinks fit, inflict one penalty in respect of all offences of which he has been found guilty, but that penalty shall not exceed the sum of the maximum penalties which could be inflicted if penalties were imposed for each offence separately.

Offences by
partners.

“ 221x. Notwithstanding anything contained in this Division, a member of a partnership shall not be punished for a contravention of any of the foregoing provisions of this Division for which another member of that partnership has already been punished.

Forging stamps
or dies.

“ 221y.—(1.) A person who, without lawful authority (proof whereof shall lie upon him)—

(a) makes, sells, uses, utters or has in his possession a counterfeit tax stamp; or

(b) makes, sells, uses or has in his possession a die, plate or other instrument for printing or making tax stamps,

shall be guilty of an indictable offence and liable to imprisonment, with or without hard labour, for a term not exceeding five years.

“ (2.) A counterfeit tax stamp, die, plate or instrument made, sold, used, uttered or had in possession in contravention of this section shall be forfeited to the King.”

(2.) Every arrangement under section two hundred and twenty-one B of the Principal Act in force at the commencement of this section shall continue in force and have effect as if entered into in pursuance of section two hundred and twenty-one B of the Principal Act, as amended by this Act.

(3.) Every arrangement with an authority in Australia of the Government of a country other than the Commonwealth, and every authorization given to an employer, in force at the commencement of this section under section two hundred and twenty-one KB of the Principal Act, or under that section as applied by the *Social Services Contribution Assessment Act 1945-1946*, and every notice published by the Commissioner in the *Gazette* in relation to any such arrangement, shall continue in force and have effect as if entered into, given or published under section two hundred and twenty-one s of the Principal Act, as amended by this Act.

(4.) Every tax deduction sheet or contribution deduction sheet kept by an employer, before the commencement of this section, under the Income Tax Regulations or the Social Services Contribution Regulations shall be deemed to be a tax deduction sheet kept in pursuance of section two hundred and twenty-one G of the Principal Act, as amended by this Act.

(5.) Every certificate in force at the commencement of this section under section two hundred and twenty-one L of the Principal Act, or under that section as applied by the *Social Services Contribution Assessment Act 1945-1946*, shall be deemed to be a certificate issued under section two hundred and twenty-one E of the Principal Act, as amended by this Act.

(6.) Every person who, at the commencement of this section, is registered as a group employer under section two hundred and twenty-one K of the Principal Act, or under that section as applied by the *Social Services Contribution Assessment Act 1945-1946*, shall be

deemed (until his registration is cancelled) to be registered as a group employer under section two hundred and twenty-one F of the Principal Act, as amended by this Act.

(7.) Every notice in writing served on a group employer by the Commissioner under sub-section (6.) of section two hundred and twenty-one K of the Principal Act, or under that sub-section as applied by the *Social Services Contribution Assessment Act 1945-1946*, and in force at the commencement of this section shall be deemed to have been served under sub-section (7.) of section two hundred and twenty-one F of the Principal Act, as amended by this Act.

(8.) Where—

(a) a person produces to the Commissioner a page of a book to which are affixed any tax stamps duly issued to that person before the first day of July, One thousand nine hundred and forty-four, in accordance with the provisions of Division 2 of Part VI. of the *Income Tax Assessment Act 1936-1940*, and of that Act as amended; or

(b) the Commissioner is satisfied that any tax stamps so issued and affixed have been destroyed (otherwise than by the Commissioner) and as to the face value of those stamps,

the Commissioner shall apply the provisions of section two hundred and twenty-one H of the Principal Act, as amended by this Act, in the same manner as if a group certificate in respect of the deductions represented by those tax stamps had been received by him, and thereafter, in the case of any tax stamps to which paragraph (b) of this sub-section applies, no person shall be entitled to receive any further benefit on production of those stamps.

14.—(1.) Section eighteen of the *Social Services Contribution Assessment Act 1945-1946* is amended—

Consequential amendments of *Social Services Contribution Assessment Act 1945-1946*.

(a) by omitting the words and figures “Parts VI. and VII.” and inserting in their stead the words and figures “Divisions 1 and 3 of Part VI., Part VII.”; and

(b) by omitting paragraphs (g) and (h).

(2.) Sections twenty and twenty-one of the *Social Services Contribution Assessment Act 1945-1946* are repealed.

(3.) The *Social Services Contribution Assessment Act 1945-1946*, as amended by this section, may be cited as the *Social Services Contribution Assessment Act 1945-1947*.

15. The amendments effected by paragraphs (b) and (c) of section four, and by sections five to nine (inclusive), of this Act shall apply to all assessments in respect of income of the year of income which began on the first day of July, One thousand nine hundred and forty-seven, and in respect of income of all subsequent years.

Application of amendments.