

INCOME TAX AND SOCIAL SERVICES
CONTRIBUTION (COMPANIES).

No. 28 of 1956.

An Act to impose a Tax, payable by Companies,
by the name of Income Tax and Social
Services Contribution.

[Assented to 29th May, 1956.]

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

1. This Act may be cited as the *Income Tax and Social Services* Short title.
Contribution (Companies) Act 1956.

No. 28. *Income Tax and Social Services Contribution (Companies)*. 1956.

Commencement. 2. This Act shall come into operation on the first day of July, One thousand nine hundred and fifty-six.

Interpretation. 3.—(1.) In this Act—

“co-operative company” has the same meaning as in Division 9 of Part III. of the Assessment Act ;

“life assurance company” has the same meaning as in Division 8 of Part III. of the Assessment Act ;

“mutual income”, in relation to a life assurance company (other than a mutual life assurance company), means—

(a) so much of that part of the taxable income of the company which has been derived from its life assurance business as bears the same proportion to that part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits divided among those policy holders and the shareholders of the company in respect of the company's life assurance business for the same year of income ; or

(b) where no profits in respect of the company's life assurance business are divided for the year of income but, by virtue of the company's memorandum or articles of association, any profits to be divided among the life assurance policy holders of the company are required to be a certain proportion of the total profits to be divided—that proportion of that part of the taxable income of the company which has been derived from its life assurance business ;

“mutual life assurance company” has the same meaning as in Division 8 of Part III. of the Assessment Act ;

“non-profit company” means a company which is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the memorandum or articles of association, rules or other document constituting the company or governing its activities, prohibited from making any distribution, whether in money, property or otherwise, to its members ;

“private company” has the same meaning as in Division 7 of Part III. of the Assessment Act ;

“the Assessment Act” means the *Income Tax and Social Services Contribution Assessment Act 1936–1956*.

(2.) A reference in this Act to taxable income shall be read as a reference to taxable income of the year of income.

Incorporation. 4. The Assessment Act is incorporated and shall be read as one with this Act.

1956. *Income Tax and Social Services Contribution (Companies)*. No. 28.

5.—(1.) A tax, payable by companies, by the name of income tax and social services contribution is imposed in accordance with this Act and at the rates declared in this Act.

Imposition of income tax and social services contribution.

(2.) Notwithstanding anything contained in this Act, income tax and social services contribution is not imposed upon a taxable income which does not exceed One hundred and four pounds derived by a non-profit company.

6.—(1.) The rates of income tax and social services contribution payable by a company, other than a company in the capacity of a trustee, are as set out in the Schedule to this Act.

Rates of income tax and social services contribution payable by a company.

(2.) Where the taxable income of a non-profit company does not exceed Two hundred and twenty-eight pounds, the maximum amount of income tax and social services contribution payable by the company is eleven-twentieths of the amount by which the taxable income exceeds One hundred and four pounds.

7. Where the amount of income tax and social services contribution which a company would be liable to pay under the preceding provisions of this Act, before deducting any rebate or credit to which it is entitled in its assessment, is an amount of pounds, shillings and pence or shillings and pence—

Elimination of pence.

- (a) if the pence do not exceed six—the amount shall be deemed to be reduced by the amount of the pence ; and
- (b) if the pence exceed six—the amount shall be deemed to be increased by treating the pence as One shilling.

8.—(1.) The income tax and social services contribution imposed by the preceding provisions of this Act shall be levied and paid for the financial year commencing on the first day of July, One thousand nine hundred and fifty-six.

Levy of income tax and social services contribution.

(2.) Until the commencement of an Act for the levying and payment of income tax and social services contribution upon companies for the financial year commencing on the first day of July, One thousand nine hundred and fifty-seven, the preceding provisions of this Act also apply for all financial years subsequent to that commencing on the first day of July, One thousand nine hundred and fifty-six.

9.—(1.) Subject to the next succeeding sub-section, sub-section (2.) of section twelve of the *Income Tax and Social Services Contribution Act 1955* continues to operate as if this Act had not been enacted.

Saving.

(2.) On and after the date of commencement of this Act, sub-section (2.) of section twelve of the *Income Tax and Social Services Contribution Act 1955* does not apply in relation to a company, other than a company in the capacity of a trustee.

THE SCHEDULE.

Section 6 (1.).

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

1. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a resident, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Seven shillings ; and
 - (b) for every £1 of the remainder of the taxable income—Eight shillings.
2. In the case of a company (not being a private company, a co-operative company, a non-profit company or a life assurance company) which is a non-resident, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the taxable income consisting of dividends as does not exceed Five thousand pounds—Six shillings ;
 - (b) for every £1 of so much of the taxable income not consisting of dividends as does not exceed the amount (if any) by which the taxable income consisting of dividends is less than Five thousand pounds—Seven shillings ; and
 - (c) for every £1 of the part of the taxable income to which neither of the preceding sub-paragraphs of this paragraph applies—Eight shillings.
3. In the case of a company which is a private company, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Five shillings ;
 - (b) for every £1 of the remainder of the taxable income—Seven shillings ; and
 - (c) for every £1 of the undistributed amount in respect of which the company is liable under section one hundred and four of the Assessment Act to pay additional tax—Ten shillings.
4. In the case of a company (not being a private company or a life assurance company) which is a co-operative company or a non-profit company, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Six shillings ; and
 - (b) for every £1 of the remainder of the taxable income—Eight shillings.
5. In the case of a company (not being a private company) which is a mutual life assurance company, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Five shillings ; and
 - (b) for every £1 of the remainder of the taxable income—Seven shillings.
6. In the case of a company (not being a private company) which is a life assurance company other than a mutual life assurance company, the rates of income tax and social services contribution are—
 - (a) for every £1 of so much of the mutual income as does not exceed Five thousand pounds—Five shillings ;
 - (b) for every £1 of the remainder of the mutual income—Seven shillings ;
 - (c) if the company is a non-resident, for every £1 of so much of the taxable income, other than the mutual income, consisting of dividends as does not exceed the amount (if any) by which the mutual income is less than Five thousand pounds—Six shillings ;
 - (d) for every £1 of so much of the taxable income, other than the amounts of income to which the preceding sub-paragraphs of this paragraph apply, as does not exceed the amount (if any) by which the total of those amounts is less than Five thousand pounds—Seven shillings ; and
 - (e) for every £1 of the part of the taxable income to which none of the preceding sub-paragraphs of this paragraph applies—Eight shillings.
7. For every £1 of interest in respect of which a company is liable, in pursuance of sub-section (1.) of section one hundred and twenty-five of the Assessment Act, to pay income tax and social services contribution, the rate of income tax and social services contribution is Eight shillings.