

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION.

No. 69 of 1964.

An Act to impose upon Incomes a Tax by the name of
Income Tax and Social Services Contribution.

[Assented to 20th October, 1964.]

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 Contribution Act 1964*. Short title.
2. This Act shall come into operation on the day on which it receives the Royal Assent. Commencement.
- 3.—(1.) In this Act, unless the contrary intention appears— Interpretation.
 - “ constituent document ”, in relation to a company, means the memorandum or articles of association, rules or other document constituting the company or governing its activities;
 - “ co-operative company ” has the same meaning as in Division 9 of Part III. of the Assessment Act;

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“friendly society dispensary” means a friendly society dispensary to which Division 9A of Part III. of the Assessment Act applies;

“investment income” has the same meaning as in Division 9B 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 the part of the taxable income of the company that 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 constituent document, 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 the part of the taxable income of the company that 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) a company that is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the company’s constituent document, prohibited from making any distribution, whether in money, property or otherwise, to its members; or

(b) a friendly society dispensary;

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

“superannuation fund” has the same meaning as in Division 9B of Part III. of the Assessment Act;

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“ tax ” means income tax and social services contribution referred to in sub-section (1.) of section five of this Act;

“ the Assessment Act ” means the *Income Tax and Social Services Contribution Assessment Act 1936–1964.*

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

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

5.—(1.) A tax by the name of income tax and social services contribution is imposed at the rates declared in this Act. **Imposition of income tax and social services contribution.**

(2.) Income tax and social services contribution payable in accordance with section one hundred and twenty-eight B of the Assessment Act is not imposed by this Act and a reference in the succeeding provisions of this Act to tax shall be read as not including a reference to income tax and social services contribution so payable.

(3.) Notwithstanding anything contained in this Act, tax is not imposed upon a taxable income that does not exceed Two hundred and eight pounds derived by—

- (a) a person other than a company;
- (b) a company in the capacity of a trustee; or
- (c) a non-profit company.

6.—(1.) The rates of tax payable by a person other than a company are as set out in the First Schedule to this Act. **Rates of tax payable by persons other than companies.**

(2.) The rates of tax in respect of a taxable income to which Division 16 of Part III. of the Assessment Act applies are as set out in the Second Schedule to this Act.

(3.) The rate of tax in respect of a taxable income in any case where section fifty-nine AB, section eighty-six or section one hundred and fifty-eight D of the Assessment Act applies is as set out in the Third Schedule to this Act.

(4.) The rate of tax payable by a trustee other than a trustee of a superannuation fund is as set out in the Fourth Schedule to this Act.

(5.) The rates of tax payable by a trustee of a superannuation fund are as set out in the Fifth Schedule to this Act.

(6.) Where the taxable income of a person does not exceed Two hundred and fourteen pounds, the maximum amount of tax payable by him under sub-section (1.), (2.), (3.) or (4.) of this section is one-half of the amount by which the taxable income exceeds Two hundred and eight pounds, less any rebate or credit to which he is entitled.

Limitation
of tax payable
by aged
persons.

7.—(1.) This section applies to a taxpayer who—

- (a) being a man, has attained the age of sixty-five years, or, being a woman, has attained the age of sixty years, on or before the last day of the year of income; and
- (b) is a resident of Australia during the whole of the year of income,

but does not apply to a taxpayer in the capacity of a trustee.

(2.) Where the net income of a taxpayer to whom this section applies does not exceed Five hundred and seventy-four pounds, the maximum amount of tax payable by him is nine-twentieths of the amount by which his net income exceeds Four hundred and ninety-four pounds, less any rebate or credit to which he is entitled, or, if his net income does not exceed Four hundred and ninety-four pounds, no tax is payable by him.

(3.) Where the net income of a taxpayer to whom this section applies does not exceed One thousand three hundred and fifty pounds and during the year of income the taxpayer contributes to the maintenance of his spouse, being a person who is a resident of Australia during the whole of the year of income, the maximum amount of tax payable by the taxpayer is nine-twentieths of the amount by which the sum of the net incomes of the taxpayer and his spouse exceeds Nine hundred and thirty-six pounds, less any rebate or credit to which he is entitled, or, if the sum of those net incomes does not exceed Nine hundred and thirty-six pounds, no tax is payable by the taxpayer.

(4.) For the purposes of this section, the net income of a person shall be ascertained by deducting from the gross income of that person all expenses (not being expenses of a capital, private or domestic nature) incurred in deriving that gross income.

(5.) In this section, “resident of Australia” includes a person who is a resident of the Territory of Papua and New Guinea, of Norfolk Island, of the Territory of Cocos (Keeling) Islands, of the Territory of Christmas Island or of the Island of Nauru.

Minimum tax.

8. Where, but for this section, the amount of tax that a person would be liable to pay under the preceding provisions of this Act, after deducting all rebates to which that person is entitled, is less than Ten shillings, the tax payable by that person is Ten shillings.

Rates of tax
payable by a
company.

9.—(1.) The rates of tax payable by a company, other than a company in the capacity of a trustee, are as set out in the Sixth Schedule to this Act.

(2.) Where the taxable income of a non-profit company does not exceed Five hundred and ninety-four pounds, the maximum amount of tax payable by the company is one-half of the amount by which the taxable income exceeds Two hundred and eight pounds, less any rebate or credit to which the company is entitled.

10. Where the amount of tax that a person would be liable to pay under the preceding provisions of this Act, before deducting any rebate or credit to which he is entitled, 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.

11.—(1.) Notwithstanding anything contained in the preceding provisions of this Act, where a person has, in accordance with section two hundred and twenty-one H of the Assessment Act, forwarded to the Commissioner a tax stamps sheet or group certificate issued to him in respect of deductions made in a year from his salary or wages, and the difference between the available deductions and the tax that would, but for this sub-section, be payable by that person in respect of the taxable income derived by him in that year is not more than Two shillings, the tax payable by that person in respect of that taxable income is an amount equal to the available deductions.

Tax where amount to be collected or refunded would not exceed Two shillings.

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

- (a) in relation to a person who is liable to pay provisional tax and contribution in respect of his income of the year immediately succeeding the year referred to in that sub-section; or
- (b) in any case in which the amount of tax that would, but for this section, be payable is Ten shillings and the available deductions exceed Ten shillings.

(3.) In this section, “the available deductions” means the sum of the amount represented by the face value of the tax stamps duly affixed to a tax stamps sheet referred to in sub-section (1.) of this section and the amount of the deductions specified in a group certificate so referred to.

12.—(1.) The tax imposed by the preceding provisions of this Act shall be levied and paid for the financial year that commenced on the first day of July, One thousand nine hundred and sixty-four.

Levy of tax.

(2.) Until the commencement of the Act for the levying and payment of tax for the financial year commencing on the first day of July, One thousand nine hundred and sixty-five, the preceding provisions of this Act also apply for all financial years subsequent to the financial year that commenced on the first day of July, One thousand nine hundred and sixty-four.

Provisional
tax and
contribution.

13. Provisional tax and contribution is imposed and is payable, in accordance with the provisions of the Assessment Act, in respect of the income of the year of income that commenced on the first day of July, One thousand nine hundred and sixty-four.

THE SCHEDULES.

FIRST SCHEDULE.

Section 6 (1.).

GENERAL RATES OF TAX PAYABLE BY PERSONS OTHER THAN COMPANIES.

The rate of tax for every £1 of each part of the taxable income specified in the first column of the following table is the rate set out in the second column of that table opposite to the reference to that part of the taxable income:—

| First Column. Parts of Taxable Income. | Second Column. Rates. |
|---|--------------------------|
| The part of the taxable income that— | |
| does not exceed £100 | One penny |
| exceeds £100 but does not exceed £150 | 3 pence |
| exceeds £150 but does not exceed £200 | 7 pence |
| exceeds £200 but does not exceed £250 | 11 pence |
| exceeds £250 but does not exceed £300 | 15 pence |
| exceeds £300 but does not exceed £400 | 20 pence |
| exceeds £400 but does not exceed £500 | 26 pence |
| exceeds £500 but does not exceed £600 | 30 pence |
| exceeds £600 but does not exceed £700 | 34 pence |
| exceeds £700 but does not exceed £800 | 38 pence |
| exceeds £800 but does not exceed £900 | 42 pence |
| exceeds £900 but does not exceed £1,000 | 46 pence |
| exceeds £1,000 but does not exceed £1,200 | 52 pence |
| exceeds £1,200 but does not exceed £1,400 | 59 pence |
| exceeds £1,400 but does not exceed £1,600 | 65 pence |
| exceeds £1,600 but does not exceed £1,800 | 71 pence |
| exceeds £1,800 but does not exceed £2,000 | 77 pence |
| exceeds £2,000 but does not exceed £2,400 | 85 pence |
| exceeds £2,400 but does not exceed £2,800 | 92 pence |
| exceeds £2,800 but does not exceed £3,200 | 99 pence |
| exceeds £3,200 but does not exceed £3,600 | 105 pence |
| exceeds £3,600 but does not exceed £4,000 | 111 pence |
| exceeds £4,000 but does not exceed £4,400 | 117 pence |
| exceeds £4,400 but does not exceed £5,000 | 124 pence |
| exceeds £5,000 but does not exceed £6,000 | 132 pence |
| exceeds £6,000 but does not exceed £8,000 | 139 pence |
| exceeds £8,000 but does not exceed £10,000 | 145 pence |
| exceeds £10,000 but does not exceed £16,000 | 152 pence |
| exceeds £16,000 | 160 pence |

SECOND SCHEDULE.

Section 6 (2.).

RATES OF TAX BY REFERENCE TO AN AVERAGE INCOME.

In the case of a taxpayer to whose income Division 16 of Part III. of the Assessment Act applies, the rates of tax are—

(a) for every £1 of so much of the taxable income as does not exceed Four thousand pounds—

(i) the rate ascertained by applying the rates set forth in the First Schedule to a taxable income equal to his average income and dividing the resultant amount by a number equal to the number of whole pounds in that average income; or

(ii) 71.775 pence,

whichever is the less; and

(b) for every £1 of the remainder of the taxable income, the rate ascertained by deducting the amount of One thousand one hundred and ninety-six pounds five shillings from the tax that would be payable if the rates set forth in the First Schedule were applied to the total taxable income and dividing the resultant amount by a number equal to the number of whole pounds in that remainder.

THIRD SCHEDULE.

Section 6 (3.).

RATE OF TAX BY REFERENCE TO A NOTIONAL INCOME.

For every £1 of the taxable income of a taxpayer deriving a notional income, as specified by section fifty-nine AB, section eighty-six or section one hundred and fifty-eight D of the Assessment Act, the rate of tax is the rate ascertained by dividing the tax that would be payable under the First Schedule upon a taxable income equal to his notional income by a number equal to the number of whole pounds in that notional income.

FOURTH SCHEDULE.

Section 6 (4.).

RATE OF TAX PAYABLE BY A TRUSTEE OTHER THAN A TRUSTEE OF A SUPERANNUATION FUND.

For every £1 of the taxable income in respect of which a trustee, not being a trustee of a superannuation fund, is liable, in pursuance of either section ninety-eight or section ninety-nine of the Assessment Act, to be assessed and to pay tax, the rate of tax is the rate that would be payable under the First, Second or Third Schedule, as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

FIFTH SCHEDULE.

Section 6 (5.).

RATES OF TAX PAYABLE BY A TRUSTEE OF A SUPERANNUATION FUND.

In the case of a trustee of a superannuation fund, the rates of tax are—

(a) for every £1 of so much of the investment income of the fund of the year of income in respect of which the trustee is liable, in pursuance of section one hundred and twenty-one D of the Assessment Act, to be assessed and to pay tax as does not exceed Five thousand pounds—Five shillings and sixpence; and

(b) for every £1 of the remainder of that investment income—Seven shillings and sixpence.

SIXTH SCHEDULE.

Section 9 (1.).

RATES OF TAX 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) that is a resident, the rates of tax are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Seven shillings and sixpence; and
 - (b) for every £1 of the remainder of the taxable income—Eight shillings and sixpence.
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) that is a non-resident, the rates of tax are—
 - (a) for every £1 of so much of the taxable income consisting of dividends as does not exceed Five thousand pounds—Six shillings and sixpence;
 - (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 sixpence; 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 and sixpence.
3. In the case of a company that is a private company, the rates of tax are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Five shillings and sixpence;
 - (b) for every £1 of the remainder of the taxable income—Seven shillings and sixpence; 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) that is a co-operative company or a non-profit company other than a friendly society dispensary, the rates of tax are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Six shillings and sixpence; and
 - (b) for every £1 of the remainder of the taxable income—Eight shillings and sixpence.
5. In the case of a non-profit company that is a friendly society dispensary, the rate of tax is Six shillings and sixpence for every £1 of the taxable income.
6. In the case of a company (not being a private company) that is a mutual life assurance company, the rates of tax are—
 - (a) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Five shillings and sixpence; and
 - (b) for every £1 of the remainder of the taxable income—Seven shillings and sixpence.
7. In the case of a company (not being a private company) that is a life assurance company, other than a mutual life assurance company, the rates of tax are—
 - (a) for every £1 of so much of the mutual income as does not exceed Five thousand pounds—Five shillings and sixpence;
 - (b) for every £1 of the remainder of the mutual income—Seven shillings and sixpence;
 - (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 and sixpence;
 - (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 sixpence; 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 and sixpence.
8. 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 tax, the rate of tax is Eight shillings and sixpence.