

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT.

No. 44 of 1951.

An Act to amend the *Income Tax and Social Services Contribution Assessment Act 1936-1950*.

[Assented to 7th December, 1951.]

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 and Social Services Contribution Assessment Act 1951*. Short title
and citation.

(2.) The *Income Tax and Social Services Contribution Assessment Act 1936-1950** 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 and Social Services Contribution Assessment Act 1936-1951*.

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 omitting the words—

“PART IIIA.—FURTHER TAX AND CONTRIBUTION ON
UNDISTRIBUTED INCOME OF COMPANY.”; and

(b) by omitting the words—

“Division 3.—Provisional Tax and Contribution.”

and inserting in their stead the words—

“Division 3.—Provisional Tax and Contribution and
Advance Payments.”.

4. Section sixteen of the Principal Act is amended by inserting in paragraph (c) of sub-section (4.), after the words “relating to”, the words “Land Tax,”. Officers to
observe secrecy.

* 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; No. 6, 1946; Nos. 11 and 63, 1947; No. 44, 1948; No. 66, 1949; and No. 48, 1950.

Exemptions.

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

(a) by omitting from sub-paragraph (vii) of paragraph (c) the words “Secondary Industries Commission of the Department of Post-war Reconstruction” and inserting in their stead the words “Director of the Division of Industrial Development of the Department of National Development, or a person authorized in writing by the Director to give such certificates,”;

(b) by omitting from paragraph (x) the word “and”; and

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

“; and (z) income derived by way of a scholarship, bursary, or other educational allowance by a student receiving full-time education at a school, college or university, but not including an amount received by the student from a person or authority upon condition that the student will (or will, if required) render, or continue to render, services to that person or authority.”.

6. After section twenty-three A of the Principal Act the following sections are inserted :—

**Exemption
of pay and
allowances of
members of
Defence Force.**

“23B.—(1.) Pay and allowances earned by a person as a member of the Defence Force during his war service shall be exempt from income tax.

“(2.) Subject to this section, the war service of a member of the Defence Force, for the purposes of this section, is his service while—

(a) a member of, or attached to, a body, contingent or detachment of the naval, military or air forces of the Commonwealth at a time when it is or was allotted for duty in an operational area; or

(b) allotted for duty in an operational area.

“(3.) For the purposes of this section, the war service of a member of the Defence Force—

(a) shall be deemed to have commenced—

(i) if he was in Australia at the time at which he was allotted for war service—at the time of his departure from the last port of call in Australia for that service; or

(ii) if he was outside Australia at the time at which he was allotted for war service—at the time at which he was so allotted;

(b) shall be deemed to have ended—

(i) on his returning to Australia—at the time at which he arrives at the first port of call in Australia, unless he leaves Australia for further war service within fourteen days after his arrival in Australia ;
or

(ii) where he has been allotted for duty in an area outside Australia other than an operational area—at the time at which he arrives in that area, or, if he is in that area at the time at which he is so allotted, at that time ; and

(c) shall be deemed to include a period of hospital treatment consequent upon illness contracted or injuries sustained during his war service.

“(4.) In this section—

‘ operational area ’ means an area outside Australia prescribed to be an operational area for the purposes of war-like operations in Korea after the twenty-sixth day of June, One thousand nine hundred and fifty, or in Malaya after the twenty-eighth day of June, One thousand nine hundred and fifty ;

‘ port ’ includes airport.

“(5.) Regulations prescribing an area as an operational area for the purposes of this section may be expressed to apply in relation to a period before the commencement of the regulations, and the area shall be deemed to have been an operational area during that period.

“23c.—(1.) Income derived by a company from the sale of gold produced in Australia or in the Territory of New Guinea shall be exempt from income tax where—

Exemption of
certain income
from sale of
gold.

(a) all the shareholders of the company are carrying on, or have carried on, mining operations in Australia or in the Territory of New Guinea wholly or partly for the purpose of obtaining gold ;

(b) the company is, on the last day of the year of income, a company approved by the Treasurer for the purposes of this section ;

(c) the gold was purchased by the company from the Commonwealth Bank of Australia ; and

(d) the gold has been exported or is to be exported with the consent of that bank.

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

“(2.) For the purposes of paragraph (o) of section twenty-three of this Act, a dividend paid to a person wholly and exclusively out of income which is exempt from income tax by virtue of this section shall be deemed to be income derived by that person from the sale of gold obtained from the working of the mining property in Australia or in the Territory of New Guinea on which that person is carrying on, or has carried on, mining operations.”.

Where
Commonwealth
and State
values differ.

Cost price of
natural increase.

7. Section thirty of the Principal Act is repealed.

8. Section thirty-four of the Principal Act is amended—

(a) by omitting from paragraph (b) of sub-section (1.) the words “within the limits” and inserting in their stead the words “, not being less than the minimum cost price”; and

(b) by omitting from sub-section (2.) the words “the lower of the prescribed limits” and inserting in their stead the words “the prescribed minimum cost price”.

Omission of
natural increase
under previous
Act.

9. Section thirty-five of the Principal Act is repealed.

Dividends.

10. Section forty-four of the Principal Act is amended by adding at the end thereof the following sub-section:—

“(4.) Where a company has received a dividend paid wholly and exclusively out of income which is exempt from income tax by virtue of sub-section (1.) of section twenty-three c of this Act, that dividend shall, for the purposes of the application of paragraph (c) of sub-section (2.) of this section in respect of dividends paid by that company, or by a company which is a shareholder in that company, be deemed to be income derived by that first-mentioned company from the working by it of a mining property in Australia or in the Territory of New Guinea.”.

Credit in
respect of tax
paid abroad on
ex-Australian
dividends.

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

(a) by omitting from sub-section (5.) the words “, and of sub-section (3.), of section one hundred and three of this Act” and inserting in their stead the words “of section one hundred and three of this Act, and of section one hundred and three D of this Act”; and

(b) by omitting from that sub-section the words “or of paragraphs (a) and (b) of sub-section (1.), and of sub-section (5.), of section one hundred and sixty c of this Act, as the case requires”.

12. Section forty-six of the Principal Act is amended by omitting sub-sections (2.) and (2A.) and inserting in their stead the following sub-section :—

Rebate on dividends.

“(2.) For the purposes of the last preceding sub-section, the average rate of tax payable by a company for a year of tax shall be deemed to be an amount per pound being the amount ascertained by dividing the amount of income tax which would be assessed in respect of the taxable income derived by the company in the year of income if—

- (a) the company was not entitled to any rebate of tax or credit against its liability to tax ; and
- (b) the company was not liable to pay any tax under Division 7 of Part III. of this Act,

by a number equal to the number of whole pounds in that taxable income.”.

13. Section fifty-one A of the Principal Act is amended—

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

- (a) by omitting from paragraph (a) of sub-section (2.) the words “Three pounds five shillings” (wherever occurring) and inserting in their stead the words “Three pounds ten shillings” ;
- (b) by omitting from paragraph (a) of sub-section (2.) the words “Fifteen shillings” and inserting in their stead the words “One pound” ; and
- (c) by omitting from paragraphs (b) and (c) of sub-section (2.) the words “Fifteen shillings” (wherever occurring) and inserting in their stead the words “One pound” .

14. Section seventy-eight of the Principal Act is amended—

Gifts, calls to companies, retiring allowances and pensions.

- (a) by omitting sub-paragraph (i) of paragraph (a) of sub-section (1.) and inserting in its stead the following sub-paragraph :—
 - “(i) a public hospital, or a hospital which is carried on by a society or association otherwise than for the purposes of profit or gain to the individual members of that society or association ;” ;
- (b) by omitting from sub-paragraph (iii) of that paragraph the words “public hospitals or public benevolent institutions in Australia” and inserting in their stead the words “hospitals or institutions specified in sub-paragraph (i) or (ii) of this paragraph” ; and
- (c) by omitting from sub-section (2.) the words “this section” and inserting in their stead the words “the last preceding sub-section” .

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

15. Section one hundred and three of the Principal Act is repealed and the following sections are inserted in its stead :—

Interpretation.

“ 103.—(1.) In this Act, unless the contrary intention appears—
'distributable income', in relation to a private company, means the amount ascertained by deducting from the taxable income of the company—

- (a) the tax payable under this Act (other than the tax payable under this Division) in respect of the income of the year of income, before the allowance of any credit in pursuance of paragraph (a) of sub-section (1.) of section two hundred and twenty-one YE of this Act ;
- (b) taxes which are paid in the year of income being—
 - (i) tax paid under this Division in respect of income of a year of income prior to the year of income which commenced on the first day of July, One thousand nine hundred and forty-seven ;
 - (ii) tax paid under section twenty-one of the previous Act or under Division 2 of Part III. of that Act ;
 - (iii) taxes paid under a law of a State or of a Territory being part of the Commonwealth imposing a tax upon incomes ; or
 - (iv) taxes paid in a country out of Australia in respect of income of the company which is or was assessable income under this Act or the previous Act,

less any refund received in the year of income of any tax specified in any of sub-paragraphs (i) to (iv) of this paragraph which has been deducted or is deductible for the purpose of ascertaining the distributable income of any year ;

- (c) any contribution paid in the year of income under the *Social Services Contribution Assessment Act* 1945, or that Act as amended, in respect of income of a year of income prior to the year of income which commenced on the first day of July, One thousand nine hundred and forty-seven, less any refund received in the year of income of contribution which has been deducted or is deductible for the purpose of ascertaining the distributable income of any year ; and
- (d) the net loss, except to the extent to which it is a loss of a capital nature, incurred by the company in the year of income in carrying on its business out of Australia ;

1951. *Income Tax and Social Services Contribution Assessment*. No. 44.

'reduced distributable income', in relation to a private company, means the distributable income of that private company reduced by so much of the amount of any dividends received from other private companies as is included in the distributable income;

'the prescribed period' means—

(a) in relation to a company which is a resident—the period commencing on the first day of the year of income and ending six months after the end of that year; and

(b) in relation to a company which is a non-resident—the period commencing on the first day of the year of income and ending nine months after the end of that year;

'the retention allowance', in relation to the distributable income of a private company of a year of income, means the retention allowance in respect of that distributable income ascertained in accordance with section one hundred and three c of this Act;

'undistributed amount', in relation to a private company, means—

(a) the amount by which the dividends paid and the dividends deemed to have been paid, within the prescribed period, by the private company out of its taxable income of the year of income are less than the excess of the distributable income over the retention allowance; or

(b) where no dividends have been so paid or deemed to have been so paid, the amount of that excess.

“(2.) For the purposes of this Division, a person is the nominee of another person in relation to any shares if that first-mentioned person may be required to exercise his voting power arising from those shares at the direction of, or holds those shares directly or indirectly on behalf of or for the benefit of, that second-mentioned person.

“(3.) For the purposes of this Division, in the case of a private company carrying on the business of insurance in Australia—

(a) the taxable income shall be deemed to be the amount which would be the taxable income if section one hundred and forty-eight of this Act did not apply to the company; and

(b) there shall be included in the distributable income, in addition to the amount ascertained in accordance with the definition of 'distributable income' in sub-section (1.) of this section,

No. 44. *Income Tax and Social Services Contribution Assessment. 1951.*

any amount which has been received by the private company in the year of income, directly or indirectly, as a reimbursement of, or otherwise for or in respect of, any tax or contribution which has been deducted, or is deductible, in ascertaining the distributable income of any year of income, under paragraph (a), (b) or (c) of that definition or under section one hundred and three D of this Act.

Private
companies.

“103A.—(1.) For the purposes of this Act, but subject to this section, a company is a private company if, on the last day of the year of income, it is not a company in which the public are substantially interested or a subsidiary of a public company, and is a company of any one or more of the following descriptions :—

- (a) a company all of the issued shares of which are held by not more than twenty persons ;
- (b) a company in which more than half of the voting power is capable (having regard to the operation of paragraph (d) of the next succeeding sub-section) of being exercised by one person or by persons not more than seven in number ;
- (c) a company in which shares representing more than half of the paid-up capital, other than capital represented by shares bearing a fixed rate of dividend only, are held (having regard to the operation of paragraph (d) of the next succeeding sub-section) by one person or by persons not more than seven in number ;
- (d) a company in which not less than three-quarters of the voting power is capable (having regard to the operation of paragraph (e) of the next succeeding sub-section) of being exercised by one person or by persons not more than seven in number ;
- (e) a company in which shares representing not less than three-quarters of the paid-up capital, other than capital represented by shares bearing a fixed rate of dividend only, are held (having regard to the operation of paragraph (e) of the next succeeding sub-section) by one person or by persons not more than seven in number ; and
- (f) a company which is capable of being controlled by any means whatever by one person or by persons not more than seven in number.

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

- (a) a company shall be deemed to be a company in which the public are substantially interested if shares of the company (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) have, in the course of the year of income, been

quoted in the official list of a stock exchange, unless shares carrying seventy-five per centum or more of the voting power in the company are, at the end of the year of income, beneficially held by, or held directly or indirectly on behalf of or for the benefit of, twenty or less persons ;

- (b) a company shall be deemed to be a subsidiary of a public company if, by reason of the beneficial ownership of the shares, the control of the company is in the hands of one or more companies none of which is a private company ;
- (c) shares of a company shall be deemed to be held indirectly on behalf of or for the benefit of a person (not being a company, trustee or partnership) if, in the event of the payment of a dividend on those shares, that person would, otherwise than as a shareholder of the company, receive the whole or any part of that dividend if there were successive distributions of the relative parts of that dividend to and by each of any companies, trustees or partnerships interposed between the company paying the dividend and that person ;
- (d) in the application of paragraph (b) or (c) of the last preceding sub-section, a person and his nominees shall be deemed to be one person ; and
- (e) in the application of paragraph (d) or (e) of the last preceding sub-section, a person (whether or not he holds shares in the company concerned) and his relatives and (in relation to any shares in respect of which they are such nominees) his nominees, or nominees of any of his relatives, shall be deemed to be one person.

“(3.) Where it is established to the satisfaction of the Commissioner that, because of special circumstances existing on the last day of the year of income in the constitution or control of a company (being a company which would, but for this sub-section, be a private company) it is unreasonable that the company should be treated as a private company, the company shall be deemed not to be a private company for the purposes of this Act.

“(4.) The last preceding sub-section does not apply to a company in respect of a year of income unless, not later than the date on which it lodges its return of income of that year of income, or within such further period as the Commissioner allows, the company lodges with the Commissioner a statement in writing claiming to have that sub-section applied to the company in respect of that year of income and setting out the special circumstances upon which the company relies.

“103B.—(1.) For the purposes of this Division, a private company shall be deemed to have made a sufficient distribution of its income of the year of income if, within the prescribed period, it has paid

Sufficient
distribution.

in dividends out of the taxable income of that year an amount not less than the excess of the distributable income over the retention allowance.

“(2.) For the purposes of this Division, where dividends are paid either wholly or in part out of the net profits of a company of the year of income and those profits are partly liable to, and partly exempt from, income tax, the amount of dividends paid out of the taxable income of that year shall be deemed to be the amount which bears the same proportion to the total amount of dividends paid out of those profits as that portion of the net profits of the year of income which is liable to income tax bears to the total net profits of the company of the year of income.

“(3.) The last preceding sub-section does not apply to the profits or income specified in sub-section (2.) of section forty-four of this Act, to the extent of the amount of any dividend paid wholly and exclusively out of those profits or that income.

Retention allowance.

“103c.—(1.) Where a private company is not related to any other private company, the retention allowance in respect of its distributable income of a year of income is the aggregate of—

- (a) fifty per centum of so much of the reduced distributable income as does not exceed One thousand pounds ;
- (b) forty per centum of so much of the reduced distributable income as exceeds One thousand pounds and does not exceed Two thousand pounds ;
- (c) thirty-five per centum of so much of the reduced distributable income as exceeds Two thousand pounds and does not exceed Three thousand pounds ;
- (d) thirty per centum of so much of the reduced distributable income as exceeds Three thousand pounds and does not exceed Four thousand pounds ;
- (e) twenty-five per centum of so much of the reduced distributable income as exceeds Four thousand pounds and does not exceed Six thousand pounds ;
- (f) twenty per centum of so much of the reduced distributable income as exceeds Six thousand pounds and does not exceed Eight thousand pounds ;
- (g) fifteen per centum of so much of the reduced distributable income as exceeds Eight thousand pounds and does not exceed Ten thousand pounds ; and
- (h) ten per centum of so much of the reduced distributable income as exceeds Ten thousand pounds.

“(2.) Where a private company is related to one or more other private companies, the retention allowance in respect of its distributable income of a year of income is an amount which bears to the amount that would be the retention allowance in the case of a private company (not being a company related to any other private company) having a reduced distributable income equal to the total

of the reduced distributable incomes of the first-mentioned private company and the related company or companies the same proportion as the reduced distributable income of the first-mentioned private company bears to that total.

“(3.) For the purposes of this section, two private companies shall be deemed to be related to one another if, on the last day of the year of income—

- (a) one company is a subsidiary of the other ; or
- (b) one person, or persons not more than seven in number, hold in one of the companies shares representing either—
 - (i) more than half of the paid-up capital (other than capital represented by shares bearing a fixed rate of dividend only) ; or
 - (ii) more than half of the voting power, and that person, or those persons or any one or more of them, as the case may be, hold in the other company shares representing either—
 - (iii) more than half of the paid-up capital (other than capital represented by shares bearing a fixed rate of dividend only) ; or
 - (iv) more than half of the voting power.

“(4.) For the purposes of paragraph (b) of the last preceding sub-section, where shares in a private company representing—

- (a) not less than three-quarters of the paid-up capital (other than capital represented by shares bearing a fixed rate of dividend only) ; or
 - (b) not less than three-quarters of the voting power,
- are held by one person and his relatives, or by persons not more than seven in number and their relatives, that one person, or those persons not more than seven in number, shall be deemed to hold shares in that company representing more than half of that paid-up capital, or more than half of that voting power, as the case may be.

“(5.) For the purposes of the last two preceding sub-sections—

- (a) a person and his nominees shall be deemed to be one person, and a nominee of a relative of a person shall be deemed to be a relative of that person ; and
- (b) a company shall be deemed to be a subsidiary of another company if—
 - (i) shares representing not less than half of the voting power of the first-mentioned company are held directly or indirectly by that other company ;
 - (ii) shares representing not less than half of the paid-up capital of the first-mentioned company (other than capital represented by shares bearing a fixed rate of dividend only) are held directly or indirectly by that other company ; or

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

- (iii) the first-mentioned company is a subsidiary of a company which is itself, whether directly or by virtue of the application of this sub-paragraph to one or more companies, a subsidiary of that other company.

Election to have taxes paid deducted in ascertaining distributable income.

“ 103D.—(1.) Subject to sub-section (4.) of this section, a private company—

- (a) which was incorporated prior to the first day of July, One thousand nine hundred and forty-seven; and
(b) which has not made, and has not been deemed to have made, an election under sub-section (3.) of section one hundred and three of the *Income Tax Assessment Act* 1936–1947 for the purpose of ascertaining the distributable income of the year of income which ended on the thirtieth day of June, One thousand nine hundred and forty-seven,

may elect that, for the purpose of ascertaining the distributable income of the year in respect of which the election is made, in lieu of the deduction from the taxable income of the tax payable under this Act (other than the tax payable under this Division) in respect of the income of the year of income, there shall be deducted any tax, and any advance payment (as defined in section two hundred and twenty-one YA of this Act), paid under this Act (other than tax paid under this Division) in the year of income less any refund received in the year of income of any tax or advance payment (as so defined) paid under this Act (other than tax paid under this Division) which has been deducted or is deductible for the purpose of ascertaining the distributable income of any year.

“(2.) An election under this section shall be made in writing, signed by the public officer of the company, and notified to the Commissioner on or before the date of lodgment of the return of income of that year of income, or within such further time as the Commissioner allows.

“(3.) For the purposes of sub-section (1.) of this section, so much of an advance payment which has been deducted or is deductible for the purpose of ascertaining the distributable income of a year of income as is, under section two hundred and twenty-one YE of this Act, credited in payment of tax which has not been deducted and is not deductible for the purpose of ascertaining the distributable income of any year of income is deemed to be a refund (received at the time at which it is so credited) of tax which has been deducted or is deductible for the purpose of ascertaining the distributable income of a year of income.

“(4.) Where a company has been entitled to make, in respect of a year of income, an election of the kind specified in sub-section (1.) of this section and has not made that election, the company shall not be entitled to make such an election in respect of any subsequent year of income.”

16.—(1.) Sections one hundred and twenty-two and one hundred and twenty-three of the Principal Act are repealed and the following sections inserted in their stead:—

“ 122.—(1.) Where a person, in connexion with the carrying on by him of mining operations upon a mining property in Australia or the Territory of New Guinea for the purpose of gaining or producing assessable income, has incurred expenditure of a capital nature on necessary plant, development of the mining property or housing and welfare, an amount ascertained in accordance with this section shall be an allowable deduction in respect of that expenditure. Deductions of expenditure.

“(2.) Subject to the next succeeding sub-section, the deduction allowable is the amount ascertained by dividing the residual capital expenditure, as at the end of the year of income, ascertained in accordance with the succeeding provisions of this section, by—

- (a) a number equal to the number of whole years in the estimated life of the mine as at the end of the year of income ; or
- (b) twenty-five,

whichever number is the less.

“(3.) Unless the taxpayer makes an election under the next succeeding sub-section in relation to the year of income, the maximum amount of the deduction or deductions allowable under this section is an amount equal to so much of the assessable income of the year of income as remains after deducting all allowable deductions, other than deductions allowable under this section or under section one hundred and twenty-three AA of this Act.

“(4.) A taxpayer may elect, in relation to a year of income specified in the election, that the last preceding sub-section shall not apply in respect of a deduction to which he is entitled.

“(5.) For the purposes of this section, but subject to the succeeding provisions of this section, the residual capital expenditure shall be ascertained by deducting from the sum of—

- (a) so much of the amount which, for the purposes of section one hundred and twenty-two of the *Income Tax and Social Services Contribution Assessment Act 1936-1950*, was the residual capital expenditure at the end of the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one, as remains after deducting from that amount the amount of any deduction which has been allowed or is allowable under that section from the assessable income of that year of income ; and
- (b) the total amount of expenditure specified in sub-section (1.) of this section incurred after the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one,

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

any part of the expenditure included in that sum which—

- (c) has been allowed or is allowable as a deduction under section one hundred and twenty-two A of this Act, or under section one hundred and twenty-three of the *Income Tax Assessment Act 1936-1947* or of that Act as amended by any Act up to and including the *Income Tax and Social Services Contribution Assessment Act 1950*, from the assessable income of a year of income;
- (d) has been allowed or is allowable as a deduction under this section from the assessable income of a year of income prior to the year of income; or
- (e) was incurred on—
 - (i) property which has, after the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty-one, been disposed of, lost or destroyed; or
 - (ii) property the use of which for the purposes of the mining operations or of housing and welfare has, after that year of income, been otherwise terminated,

and has not been allowed and is not allowable as a deduction from the assessable income of any year of income which ended before the year of income in which the disposal, loss, destruction or termination of use took place.

“(6.) Where property referred to in sub-paragraph (ii) of paragraph (e) of the last preceding sub-section again comes into use for the purposes of the mining operations or of housing and welfare, the residual capital expenditure shall be deemed to be increased by so much of the expenditure on that property as the Commissioner determines.

“(7.) Where an amount of income derived by the taxpayer from the sale, transfer or assignment of rights to mine on any mining tenement is or has been exempt from income tax by virtue of paragraph (p) of section twenty-three of this Act, the residual capital expenditure shall be deemed to be reduced by—

- (a) any excess amount of expenditure, in relation to that tenement, to which sub-section (3.) of section one hundred and twenty-three AA of this Act applies or has applied; or
 - (b) the amount of that exempt income,
- whichever is the less.

“(8.) In this section, ‘housing and welfare’ means—

- (a) residential accommodation for the use of employees of the taxpayer engaged in, or in connexion with, the mining operations of the taxpayer referred to in sub-section (1.) of this section, or for the use of dependants of those employees, being accommodation situated on or adjacent to the mining property; or

(b) health, educational, recreational or other similar facilities, or facilities for the provision of meals, provided at, or at a place adjacent to, the mining property, being facilities which—

(i) are provided principally for the welfare of those employees or of dependants of those employees; and

(ii) are not conducted for the purpose of profit-making by the taxpayer or any other person.

“ 122A.—(1.) A person who, in the year of income, has incurred expenditure specified in sub-section (1.) of the last preceding section on plant or development may elect that the provisions of this section shall apply— Alternative deductions.

(a) in the case of expenditure on a unit or units of plant specified in the election—in respect of that expenditure; or

(b) in the case of expenditure on development—in respect of the whole, or a part specified in the election, of that expenditure.

“ (2.) Expenditure to which an election made under the last preceding sub-section applies shall be an allowable deduction from the assessable income of the year of income in which the expenditure was incurred.

“ 122B.—(1.) Where a person who carries on mining operations in Australia or the Territory of New Guinea for the purpose of gaining or producing assessable income appropriates assessable income derived in a year of income for expenditure of a capital nature on necessary plant or on development of the mining property, and an amount of the income so appropriated is not expended during that year of income, he may elect to have this section applied in relation to that amount. Deductions of appropriations.

“ (2.) So much of the amount in relation to which an election is made under the last preceding sub-section as the Commissioner is satisfied will be, or is likely to be, not later than the end of the year of income next succeeding the year of income in which the assessable income from which that amount was appropriated was derived, expended by way of capital expenditure on necessary plant or on development of the mining property shall be an allowable deduction from the assessable income of that last-mentioned year of income.

“ (3.) Where, under this section, a deduction has been allowed or is allowable from the assessable income of a year of income, the assessable income of the year of income next succeeding that year of income shall include so much of the amount allowed or allowable as a deduction as has not been expended, at the end of that next succeeding year of income, by way of expenditure of a capital nature on necessary plant or on development of the mining property.

“ (4.) Where an amount appropriated has been allowed or is allowable as a deduction under this section, or under section one hundred and twenty-three of the *Income Tax and Social Services*

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

Contribution Assessment Act 1936-1950, and that amount or a part thereof is expended before the end of the year of income next succeeding the year of income in which the assessable income from which that amount was appropriated was derived—

- (a) the amount so expended shall be deemed not to be expenditure specified in sub-section (1.) of section one hundred and twenty-two of this Act; and
- (b) for the purposes of sections one hundred and twenty-four and one hundred and twenty-four c of this Act, that deduction, to the extent of the amount so expended, shall be deemed to have been allowed or to be allowable in respect of the expenditure of the amount so expended.

Election that
Division not
to apply to
plant.

“ 123.—(1.) A person may elect that no deduction shall be allowed under this Division in respect of expenditure on a unit of plant specified in the election incurred in the year of income specified in the election or in any subsequent year and, where such an election has been made, no such deduction is allowable.

“(2.) In this section, ‘plant’ has the same meaning as it has in section fifty-four of this Act.”.

(2.) Notwithstanding the repeal of section one hundred and twenty-three of the Principal Act, an amount which would, in pursuance of that section, have been included in the assessable income of a taxpayer of the year of income which commenced on the first day of July, One thousand nine hundred and fifty-one, if that section had not been repealed is, for the purposes of the Principal Act as amended by this Act, assessable income of that year of income.

Exploration and
prospecting
expenditure.

17. Section one hundred and twenty-three AA of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the words “coal or”;
- (b) by omitting from sub-section (1.) the words “mining tenures” and inserting in their stead “mining tenements in Australia or in the Territory of New Guinea”; and
- (c) by omitting from paragraph (b) of sub-section (3.) the words “section one hundred and twenty-three” and inserting in their stead the words “section one hundred and twenty-two A”.

Deduction of
unrecouped
capital
expenditure on
prospecting or
mining for
petroleum.

18. Section one hundred and twenty-three A of the Principal Act is amended by omitting sub-section (3.) and inserting in its stead the following sub-section:—

“(3.) The provisions of sections one hundred and twenty-two, one hundred and twenty-two A, one hundred and twenty-two B and one hundred and twenty-three AA of this Act do not apply to, or to moneys appropriated for, capital expenditure on prospecting or mining for petroleum or plant necessary for the treatment of petroleum.”.

19. Section one hundred and twenty-four of the Principal Act is repealed and the following sections are inserted in its stead :—

“ 124.—(1.) This section applies where deductions have been allowed or are allowable, under this Division or under provisions, relating to the taxation of income derived from mining operations, of a previous law of the Commonwealth, in respect of expenditure of a capital nature and, in the year of income, property on which any of that expenditure was incurred has been disposed of, lost or destroyed, or the use of that property for the purpose of the mining operations or of housing and welfare has been otherwise terminated.

Disposal, loss,
destruction or
termination of
use of property.

“ (2.) Where the aggregate of—

- (a) the sum of the deductions so allowed or allowable in respect of expenditure on the property so disposed of, lost or destroyed, or the use of which has been so terminated ; and
- (b) the consideration receivable in respect of the disposal, loss or destruction, or, in the case of other termination of the use of property, the value of the property at the date of the termination of use,

exceeds the total expenditure of a capital nature by the taxpayer on that property, so much of the amount of the excess as does not exceed the sum of those deductions shall be included in the assessable income.

“ (3.) Where that total expenditure exceeds that aggregate, the excess shall be an allowable deduction.

“ (4.) In this section—

‘ expenditure ’ does not include expenditure in connexion with coal-mining operations incurred before the year of income which commenced on the first day of July, One thousand nine hundred and fifty-one ;

‘ the consideration receivable in respect of the disposal, loss or destruction ’ means—

- (a) in the case of a sale of the property—the sale price less the expenses of the sale of the property ;
- (b) in the case of loss or destruction of the property—the amount or value received or receivable under a policy of insurance or otherwise in respect of the loss or destruction ;
- (c) in the case where the property is sold with other property and no separate value is allocated to the property—the amount determined by the Commissioner ; and
- (d) in the case where the property is disposed of otherwise than by sale—the value, if any, of the property at the date of disposal,

but does not include an amount which is included, or will, when received, be included, in the assessable income of any year of income under Division 4 of this Part.

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

Acquisition of property.

“124A.—(1.) Where a person has purchased property from another person carrying on mining operations in Australia or in the Territory of New Guinea for the purpose of gaining or producing assessable income, so much (if any) of the purchase price as exceeds the sum of—

- (a) the amount which, if the property had not been sold, would have been, at the end of the year of income in which the sale took place, the portion of the residual capital expenditure of the vendor attributable to expenditure on that property ; and
- (b) any part of the purchase price which is included in the assessable income of the vendor in pursuance of the last preceding section,

shall not, for the purposes of this Division, be included in the expenditure of the purchaser on that property.

“(2.) This section does not apply where the Commissioner is of opinion that the circumstances are such that it should not apply.

Elections.

“124B. An election under any of the provisions of this Division—

- (a) shall be made in writing signed by or on behalf of the taxpayer ;
- (b) shall be delivered to the Commissioner—
 - (i) in the case of an election under section one hundred and twenty-two, one hundred and twenty-two A or one hundred and twenty-two B of this Act—on or before the last day for the furnishing of the return of income of the year of income ; and
 - (ii) in the case of an election under section one hundred and twenty-three of this Act—on or before the last day for the furnishing of the return of income for the year of income specified in the election, or within such further time as the Commissioner allows.

Deductions not allowable under other provisions.

“124C. Where the whole or a part of expenditure of a capital nature has been allowed or is allowable as a deduction under this Division, or under provisions, relating to the taxation of income derived from mining operations, of a previous law of the Commonwealth, that expenditure shall not be an allowable deduction, and shall not be taken into account in ascertaining the amount of an allowable deduction, under any provision of this Act other than a provision of this Division.”

20.—(1.) After section one hundred and fifty-eight of the Principal Act the following section is inserted in Division 16 of Part III. :—

Election that this Division shall not apply.

“158A.—(1.) A taxpayer may elect that, for the purposes of tax upon his taxable income of a year of income specified in the election and of all subsequent years of income, this Division shall not apply to him.

1951. *Income Tax and Social Services Contribution Assessment*. No. 44.

“(2.) An election in pursuance of the last preceding sub-section shall be made in writing and lodged with the Commissioner on or before the date of lodgment of the return of income of the taxpayer for the year of income specified in the election or within such further time as the Commissioner allows.

“(3.) Where a taxpayer has made an election under sub-section (1.) of this section, this Division shall not apply to the taxpayer or to his income for the purposes of tax upon his taxable income of the year of income specified in the election or of any subsequent year of income.”.

(2.) The year of income specified in an election under the section inserted by this section shall not be a year of income prior to that which commenced on the first day of July, One thousand nine hundred and fifty-one.

21. After section one hundred and fifty-nine of the Principal Act the following section is inserted :—

“160.—(1.) This section applies to a taxpayer where—

- (a) the whole of the assets of a business of primary production carried on by—
- (i) the taxpayer ;
 - (ii) a partnership in which the taxpayer is a partner ; or
 - (iii) the trustee of a trust estate of the net income of which the taxpayer (not being a person under a legal disability) is presently entitled to a share, are, in the year of income, disposed of by sale or otherwise for the purpose of putting an end to that business ;
- (b) those assets include live-stock which is disposed of at a profit ;
- (c) the taxpayer has not elected, in pursuance of sub-section (3.), (4.) or (5.) of section thirty-six of this Act, that his assessable income of the year of income shall be reduced in accordance with that section ; and
- (d) Division 16 of this Part applies to the taxpayer for the purposes of tax upon his taxable income of the year of income.

Rebate in case of disposal of assets of a business of primary production.

“(2.) Where, in the case of a taxpayer to whom this section applies, the tax which would be payable by the taxpayer in respect of his taxable income of the year of income, if there were not allowable a rebate or credit under any of the provisions of this Act, exceeds the notional tax ascertained in accordance with the next succeeding sub-section, he shall be entitled in his assessment to a rebate of the amount of the excess.

“(3.) For the purposes of the last preceding sub-section, the notional tax is the sum of the following amounts :—

- (a) the amount ascertained by applying to the abnormal income a rate per pound ascertained by applying to a taxable income equal to the average income of the taxpayer the

No. 44. *Income Tax and Social Services Contribution Assessment*. 1951.

basic rates of tax declared by the Act imposing tax for the year of tax and dividing the resultant amount by a number equal to the number of whole pounds in the average income of the taxpayer ;

- (b) the amount ascertained by applying to the amount by which the taxable income exceeds the abnormal income the rates of tax applicable under the Act imposing tax for the year of tax in the case of a person—
 - (i) to whose income Division 16 of this Part applies ;
 - (ii) whose taxable income is equal to the amount of that excess ; and
 - (iii) whose average income is equal to the average income of the taxpayer ;
- (c) the amount ascertained by applying to that part of the taxable income which is derived from property, and to which any further rates of tax declared by the Act imposing tax for the year of tax in respect of taxable income derived from property are applicable, the rates so declared ; and
- (d) where the Act declaring the rates of tax for the year of tax imposes additional tax at a rate per centum of tax which would otherwise be payable—the amount ascertained by applying that rate per centum to the sum of the amounts ascertained in accordance with the preceding paragraphs of this sub-section.

“(4.) For the purposes of the last preceding sub-section—

- (a) where the assets are disposed of otherwise than by a partnership or the trustee of a trust estate, the abnormal income is the amount of the profit on the disposal of the live-stock ;
- (b) where the assets are disposed of by a partnership, the abnormal income is, for the purposes of the assessment of a taxpayer who is a partner in the partnership, so much of the profit on the disposal of the live-stock as is included in his individual interest in the net income of the partnership ; and
- (c) where the assets are disposed of by the trustee of a trust estate, the abnormal income is—
 - (i) for the purposes of an assessment of the trustee under any of the provisions of Division 6 of this Part, so much of the profit on the disposal of the live-stock as is included in the part of the net income of the trust estate to which the assessment relates ; and
 - (ii) for the purposes of the assessment of a taxpayer who is a beneficiary in the trust estate, so much of the profit on the disposal of the live-stock as is included in the share of the net income of the trust estate to which he is presently entitled.

“(5.) In this section—

‘ the average income of the taxpayer ’ means the average income ascertained in accordance with section one hundred and forty-nine of this Act for the purposes of the assessment of tax upon income derived during the year of income by the taxpayer to whom this section applies ;

‘ the profit on the disposal of the live-stock ’ means the profit on the disposal of the live-stock referred to in paragraph (b) of sub-section (1.) of this section, ascertained in accordance with sub-section (8.) of section thirty-six of this Act.”.

22. Section one hundred and sixty ABA of the Principal Act is amended by omitting from paragraph (b) of sub-section (2.) the words “Secondary Industries Commission of the Department of Post-war Reconstruction” and inserting in their stead the words “Director of the Division of Industrial Development of the Department of National Development, or a person authorized in writing by the Director to give such certificates,”.

Rebate of tax payable by visiting industrial experts.

23. Section one hundred and sixty AR of the Principal Act is amended by omitting from paragraph (a) of sub-section (4.) the words “of this Act” (wherever occurring) and inserting in their stead the words “of the *Income Tax Assessment Act 1936-1946*, or of that Act as amended,”.

Application of tax credit.

24. Part IIIA. of the Principal Act is repealed.

Repeal of Part IIIA.

25. Section one hundred and sixty K of the Principal Act is repealed and the following section inserted in its stead :—

“160K.—(1.) Where, for the purposes of the application of an agreement in respect of Australian tax, it is necessary to ascertain the amount of Australian tax payable by a person in respect of the whole or part of a dividend or of income which is deemed to be a dividend, the amount of that tax shall be ascertained in accordance with this section.

Ascertainment of Australian tax on dividend.

“(2.) Subject to sub-section (4.) of this section, in the case of a company (other than a company in the capacity of a trustee), the amount of Australian tax is the sum of the following amounts :—

(a) the amount ascertained by applying to the net dividend the average rate of tax payable by the company, ascertained in accordance with the provisions of sub-section (2.) of section forty-six of this Act ; and

(b) where additional tax under Division 7 of Part III. of this Act is or was payable by the company in respect of the undistributed amount of the company of the year of

income, the amount ascertained by applying the average rate of additional tax to that part of the net dividend which remains after deducting therefrom—

- (i) so much of the amount by which the taxable income of the company of the year of income exceeds the sum of the undistributed amount and the amount of the dividends (not including an amount deemed to be a dividend) paid, within the prescribed period, by the company out of that taxable income as bears to the first-mentioned amount the same proportion as the net dividend bears to so much of that taxable income as remains after deducting therefrom the amount of any tax-paid dividend included therein ; and
- (ii) any dividend (not including an amount deemed to be a dividend) which is taken into account in calculating the undistributed amount, or any part of such a dividend, paid by the company out of the net dividend,

less any rebate which relates directly to the net dividend.

“ (3.) Subject to the next succeeding sub-section, in the case of a person other than a company, and in the case of a company in the capacity of a trustee, the amount of Australian tax is the sum of—

- (a) an amount which bears to the amount of tax which would have been payable by the taxpayer for the year of income if—
 - (i) the whole of the assessable income had been income from personal exertion ;
 - (ii) there had been excluded from the assessable income the amount of any tax-paid dividend included therein ; and
 - (iii) there had not been allowed or allowable a rebate or credit under any of the provisions of this Act,

the same proportion as the net dividend bears to so much of the assessable income of the year of income as remains after deducting therefrom the amount of any tax-paid dividend included therein and the deductions allowed or allowable under the provisions of this Act, other than the deductions allowed or allowable under paragraphs (a) and (b) of sub-section (1.) of section seventy-eight, and sub-division B of Division 3 of Part III., of this Act ; and

- b) an amount which bears to the excess (if any) of the amount of tax which would have been payable by the taxpayer for the year of income if there were excluded from the assessable income any tax-paid dividend and there had

not been allowed or allowable a rebate or credit under the provisions of this Act over the amount of tax referred to in the last preceding paragraph the same proportion as the net dividend bears to so much of the assessable income of the year of income, being income from property, as remains after deducting therefrom the amount of any tax-paid dividend included therein and the allowable deductions, other than the deductions allowed or allowable under paragraphs (a) and (b) of sub-section (1.) of section seventy-eight, and subdivision B of Division 3 of Part III., of this Act, made from income from property.

“(4.) Notwithstanding anything contained in sub-section (2.) or (3.) of this section—

- (a) in the case of a tax-paid dividend—the amount of Australian tax shall be nil ; and
- (b) in the case of a trustee of a trust estate or a partnership who or which is liable to pay tax assessed under section one hundred and two or ninety-four of this Act—the amount of Australian tax shall be such amount as the Commissioner determines.

“(5.) In this section—

‘ tax-paid dividend ’ means a dividend or part of a dividend in respect of which a rebate is allowable or has been allowed under section one hundred and seven of this Act ;

‘ the average rate of additional tax ’ means an amount per pound being the amount ascertained by dividing the amount of additional tax assessed in respect of the undistributed amount of the year of income by a number equal to the number of whole pounds in so much of that undistributed amount as remains after deducting therefrom any tax-paid dividend or part thereof included therein ;

‘ the dividend ’ means the dividend, part of a dividend or other income in respect of which the Australian tax payable is to be ascertained ;

‘ the net dividend ’ means—

(a) in relation to a taxpayer which is a company (other than a company in the capacity of a trustee)—

- (i) where there have been allowed or are allowable any deductions under paragraph (a) or (b) of sub-section (1.) of section seventy-eight of this Act—so much of the dividend (reduced by the amount of any tax-paid dividend included therein) as remains after deducting therefrom an amount which bears to the amount of those deductions the same

proportion as so much of the dividend as would have been included in the taxable income if those deductions had not been allowed or were not allowable (reduced by the amount of any tax-paid dividend included in the dividend) bears to the amount which would have been the taxable income if those deductions had not been allowed or were not allowable and there had been excluded from the assessable income any tax-paid dividend included therein; and

(ii) in any other case—so much of the dividend as is included in the taxable income; and

(b) in relation to a taxpayer other than a company, and in relation to a company in the capacity of a trustee—

(i) where there have been allowed or are allowable any deductions under paragraph (a) or (b) of sub-section (1.) of section seventy-eight, or subdivision B of Division 3 of Part III., of this Act—so much of the dividend (reduced by the amount of any tax-paid dividend included therein) as would have been included in the taxable income if those deductions had not been allowed or were not allowable; and

(ii) in any other case—so much of the dividend (reduced by the amount of any tax-paid dividend included therein) as is included in the taxable income.”.

Application
of credit.

26. Section one hundred and sixty q of the Principal Act is amended—

(a) by omitting from sub-section (4.) the words “, and of sub-section (3.), of section one hundred and three of this Act ” and inserting in their stead the words “ of section one hundred and three of this Act, and of section one hundred and three D of this Act ”; and

(b) by omitting from that sub-section the words “ or of paragraphs (a) and (b) of sub-section (1.), and of sub-section (5.), of section one hundred and sixty c of this Act, as the case requires,”.

Deductions by
employer from
salary or wages.

27. Section two hundred and twenty-one c of the Principal Act is amended—

(a) by omitting from paragraph (a) of sub-section (4.) the words “ Fifteen shillings ” and inserting in their stead the words “ One pound ”;

1951. *Income Tax and Social Services Contribution Assessment*. No. 44.

(b) by omitting from paragraph (a) of sub-section (6.) the words "Three pounds five shillings" and inserting in their stead the words "Three pounds ten shillings"; and

(c) by omitting from paragraph (b) of sub-section (6.) the words "Fifteen shillings" (wherever occurring) and inserting in their stead the words "One pound".

28. Section two hundred and twenty-one G of the Principal Act is amended by omitting from sub-paragraph (iii) of paragraph (a) of sub-section (2.) the word "employer" (wherever occurring) and inserting in its stead the word "employee".

Employers
other than
group
employers.

29.—(1.) Section two hundred and twenty-one P of the Principal Act is amended by inserting in sub-section (1.), after the words "vested in", the words ", or where the control of his property has passed to,".

Employer not
accounting for
deductions.

(2.) The amendment made by this section does not apply in relation to a trustee to whom the control of the property of an employer has passed before the date of commencement of this section.

30. After section two hundred and twenty-one Y of the Principal Act the following section is inserted in Division 2 of Part VI. :—

"221YAA. A prosecution for an offence against any of the provisions of this Division may be commenced at any time."

Prosecutions.

31. The heading to Division 3 of Part VI. of the Principal Act is amended by adding at the end thereof the words "and Advance Payments".

Heading to
Division 3 of
Part VI.

32. Section two hundred and twenty-one YA of the Principal Act is amended—

Interpretation.

(a) by inserting in sub-section (1.), before the definition of "provisional tax", the following definition :—

" 'advance payment' means an amount payable as an advance payment in accordance with this Division ; "

(b) by adding at the end of sub-section (2.) the words "and advance payments"; and

(c) by inserting in sub-section (3.), after the word "tax", the words "or advance payment".

33. Section two hundred and twenty-one YB of the Principal Act is amended by omitting from sub-section (1.) the word "Division" (first occurring) and inserting in its stead the word "section".

Liability to
provisional
tax.

34. After section two hundred and twenty-one YB of the Principal Act the following section is inserted :—

"221YBA.—(1.) For the purposes of enabling a part of the income tax and social services contribution which will be payable by companies to which this section applies to be collected during the year of

Liability to
advance
payment.

No. 44. *Income Tax and Social Services Contribution Assessment.* 1951.

income in which the taxable income is derived, a company, not being a company in the capacity of a trustee, shall be liable to make advance payments in accordance with this Division.

“(2.) Advance payments are payable in respect of the income of the year of income ending on the thirtieth day of June, One thousand nine hundred and fifty-two, and in respect of the income of any subsequent year of income in relation to the income of which provision is made by the Parliament, in accordance with section two hundred and twenty-one YCA of this Act, for ascertaining the amount of such advance payments.

“(3.) Where—

- (a) a percentage of an amount paid or payable to a company in respect of the carriage by ship of passengers, livestock, mails or goods is, under Division 12 of Part III. of this Act, deemed to be taxable income derived in Australia by the company;
- (b) the tax in respect of that taxable income has been paid, or the Commissioner is satisfied that that tax will be paid, during the year of income in which that amount was paid or became payable; and
- (c) the company has not, during that year of income, derived any taxable income other than amounts deemed to be taxable income under that Division,

the company is not liable to make an advance payment in respect of its income of the year of income next succeeding that year of income.”

35. After section two hundred and twenty-one YC of the Principal Act the following section is inserted :—

Amount of
advance
payment.

“221YCA. The amount of the advance payment to be made by a company, not being a company in the capacity of a trustee, in respect of the income of a year of income shall be an amount ascertained in accordance with the provisions of the Act declaring the rates of income tax and social services contribution payable for the financial year next preceding the year of tax.”

When
provisional tax
or advance
payment
payable.

36. Section two hundred and twenty-one YD of the Principal Act is amended—

- (a) by inserting after the words “provisional tax” the words “or advance payment”; and
- (b) by inserting in paragraph (a), after the words “income tax”, the words “(other than tax payable under Division 7 of Part III. of this Act)”.

37. Section two hundred and twenty-one YE of the Principal Act is repealed and the following section inserted in its stead :—

Provisional
tax or advance
payment to be
credited
against tax
assessed.

“221YE.—(1.) Where a taxpayer has paid provisional tax or an advance payment in respect of income of any year of income, and an assessment of income tax in respect of that income has been made, or the Commissioner is satisfied that no income tax (other than

income tax payable under Division 7 of Part III. of this Act) will be payable in respect of that income, the Commissioner shall credit the amount of that provisional tax or advance payment in payment successively of—

- (a) such income tax (if any) as is payable by the taxpayer in respect of that income (not being income tax payable under Division 7 of Part III. of this Act);
- (b) any provisional tax or advance payment notified to the taxpayer in respect of income of the year next succeeding that year of income; and
- (c) any other income tax payable by the taxpayer,

and shall be liable to refund to the taxpayer the amount of that provisional tax or advance payment not so credited.

“(2.) Where an amount has, in pursuance of the last preceding sub-section, been credited in payment of any income tax or advance payment, that income tax or advance payment is not, for the purposes of section one hundred and three D of this Act, tax paid.”.

38. Section two hundred and twenty-one YF of the Principal Act is amended by inserting after the word “tax” the words “or advance payment”.

Provisional tax or advance payment not to be notified where income tax assessed.

39. Section two hundred and twenty-one YG of the Principal Act is amended by inserting after the words “provisional tax” (wherever occurring) the words “or advance payment”.

Alteration of notice of provisional tax or advance payment.

40. Section two hundred and twenty-one YH of the Principal Act is amended by inserting after the words “provisional tax” (wherever occurring), the words “or advance payment”.

Notice of provisional tax or advance payment to be *prima facie* evidence.

41. Section two hundred and thirty-three of the Principal Act is amended by inserting in sub-section (1.), after the word “State”, the words “or Territory of the Commonwealth”.

Taxation prosecutions.

42. Section two hundred and thirty-four of the Principal Act is amended by omitting the words “the Supreme Court of the State” and inserting in their stead the words “the Supreme Court (if any) of the State or Territory of the Commonwealth”.

Defendant to have right of trial in Superior Court.

43. Section two hundred and thirty-six of the Principal Act is amended by inserting after the word “State” (wherever occurring) the words “or Territory of the Commonwealth”.

Appeal.

44. Section two hundred and thirty-seven of the Principal Act is amended by inserting after the word “State” the words “or Territory of the Commonwealth”.

Prosecutions in accordance with Practice Rules.

45. Section two hundred and sixty-five of the Principal Act is amended by omitting from sub-section (11.) the word “Twenty” and inserting in its stead the word “Fifty”.

Release of taxpayers in cases of hardship.

Application of
amendments.

46.—(1.) The amendment effected by section six of this Act shall apply to assessments in respect of income of the year of income which commenced on the first day of July, One thousand nine hundred and forty-nine, and in respect of income of all subsequent years.

(2.) The amendments effected by paragraph (b) of section eleven, sections twelve, twenty-one and twenty-four, and paragraph (b) of section twenty-six, of this Act shall apply to assessments in respect of income of the year of income which commenced on the first day of July, One thousand nine hundred and fifty, and in respect of income of all subsequent years.

(3.) The amendments effected by paragraphs (b) and (c) of section five, sections seven, eight and nine, paragraph (a) of section eleven, sections thirteen to nineteen (inclusive), and paragraph (a) of section twenty-six, of this Act shall apply to assessments in respect of income of the year of income which commenced on the first day of July, One thousand nine hundred and fifty-one, and in respect of income of all subsequent years.

(4.) The amendment effected by section twenty-five of this Act shall apply for the purpose of ascertaining the amount of Australian tax payable in respect of an amount of income of the year of income which commenced on the first day of July, One thousand nine hundred and fifty, and upon an amount of income of any subsequent year.
