

cultivation purposes or a homestead lease or a mining lease or a timber lease) shall not be liable to assessment or taxation in respect of the estate, and the owner of a leasehold estate under any such laws for a term not greater than one year certain shall not be so liable" and inserting in their stead the words "without revaluation, or a lease with right of purchase) shall not be liable to assessment or taxation in respect of the estate".

Application.

3. This Act shall be deemed to have commenced on the first day of July One thousand nine hundred and twenty-three, and shall apply to assessments for the financial year commencing on that date and all subsequent years.

## TAXATION OF LOANS.

### No. 30 of 1923.

An Act relating to the Taxation of Interest derived from certain Loans.

[Assented to 1st September, 1923.]

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

Short title.

1. This Act may be cited as the *Taxation of Loans Act 1923*.

Definition.

2. In this Act "loan" includes a conversion loan and a loan raised for the redemption or repayment of an existing loan.

Liability of interest on Commonwealth and State loans to Commonwealth Income Tax.

3. Notwithstanding anything contained in any Act or State Act, the interest on any loan raised in Australia after the thirty-first day of December One thousand nine hundred and twenty-three, by the Commonwealth or by a State, or by any authority constituted by or under any law of the Commonwealth or a State, shall be subject to taxation under any law of the Commonwealth relating to Income Tax, and, for the purpose of that taxation, shall be deemed to be part of the income of the respective persons or bodies to whom the interest is payable.

Liability of interest on Commonwealth loans to income tax under State law.

4.—(1.) Notwithstanding anything contained in any Act, the interest on any loan raised in Australia, after the date of the commencement of this section, by the Commonwealth, or by any authority constituted by or under any law of the Commonwealth, shall be subject to taxation under the laws of the respective States relating to Income Tax :

Provided that the taxation imposed by any State in pursuance of this section shall be at a rate not exceeding that applicable, under the law of that State, to interest on any loan raised by it, and shall not apply to a greater extent than it would apply if the interest on the loan raised by the Commonwealth, or by any authority constituted by or under any law of the Commonwealth, had been interest on a loan raised by that State.

(2.) This section shall not commence until a date to be fixed by proclamation.

5.—(1.) Subject to sub-section (2.) of this section, the interest accruing on loans raised in Australia, after the thirty-first day of December One thousand nine hundred and twenty-three, by the Government of any Country or Dominion outside the Commonwealth, or by any authority constituted by or under any law of any such Country or Dominion, shall be subject to taxation under any law of the Commonwealth relating to Income Tax in the same manner as if it were interest taxable in pursuance of section three of this Act, and were derived from a source within Australia.

Taxation of loans raised in Australia by Governments outside the Commonwealth.

(2.) Sub-section (1.) of this section shall not apply in relation to any interest unless either—

- (a) the interest is received directly or indirectly by a person resident in Australia; or
- (b) the person to whom the interest is paid or credited is, apart from this section, a taxpayer within the meaning of the *Income Tax Assessment Act 1922-1923*.

(3.) For the purposes of this section a loan shall be deemed to have been raised in Australia if subscriptions to the loan were invited in Australia by public advertisement, by the issue of a prospectus, or otherwise.

---

## AGREEMENTS VALIDATION.

---

### No. 31 of 1923.

An Act to provide for the Validation of certain Agreements and Documents made and executed by or on behalf of the Commonwealth.

[Assented to 1st September, 1923.]

**W**HEREAS certain agreements in writing, or documents pur-  
 porting to be agreements, relating to the manufacture of  
 wool-tops, or the purchase or sale of wool for the manufacture of  
 wool-tops, were made or executed by or on behalf of the Common-  
 wealth during the late war :

Preamble.