

## WAR-TIME (COMPANY) TAX.

### No. 91 of 1940.

### An Act to impose a War-time Tax upon Companies.

[Assented to 17th December, 1940.]

**B**E 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 *War-time (Company) Tax Act* 1940.
- Commencement.**    **2.** This Act shall come into operation on the day on which it receives the Royal Assent.
- Incorporation.**     **3.** The *War-time (Company) Tax Assessment Act* 1940 shall be incorporated and read as one with this Act.
- Imposition of tax.**    **4.** A tax is imposed, at the rates specified in this Act, on the amount by which the taxable profit of any company exceeds the percentage standard.
- Rates of tax.**        **5.**—(1.) In respect of the amount by which the taxable profit of a company (other than a company to which sub-section (2.) or (3.) of this section applies) exceeds the percentage standard—
- (a) where the excess is not more than one per centum of the capital employed—the rate of tax shall be four per centum ; and
- (b) where the excess is more than one per centum of the capital employed—the rate of tax in respect of the excess referred to in the first column of the Schedule to this Act shall be—
- (i) on so much of that excess as is equal to the percentage of the capital employed specified in the second column of that Schedule—the rate specified in the third column of that Schedule ; and
- (ii) on the remainder of that excess—the rate specified in the fourth column of that Schedule.
- (2.) The rate of tax in respect of every pound by which the taxable profit of a company which is a primary producer exceeds the percentage standard shall be that percentage which the amount of tax which would be payable in accordance with the last preceding sub-section if the average taxable profit of the company, ascertained in accordance with section fifteen of the *War-time (Company) Tax Assessment Act* 1940, were the taxable profit of a company which is not a primary producer bears to the amount by which that average taxable profit exceeds the percentage standard.
- (3.) Where a company has elected to have the amount of a net premium received in respect of a lease spread over the term of the lease for the purpose of ascertaining the rate of tax applicable to the

company, the rate of tax in respect of every pound by which the taxable profit of that company exceeds the percentage standard shall be that percentage which the amount of tax which would be payable in accordance with sub-section (1.) of this section if the deemed taxable profit, ascertained in accordance with section sixteen of the *War-time (Company) Tax Assessment Act 1940*, were the taxable profit of a company which had not so elected, bears to the amount by which that deemed taxable profit exceeds the percentage standard.

6. The tax imposed by this Act shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and forty and for each financial year thereafter. Levy of tax.

### THE SCHEDULE.

Col. 1.	Col. 2. Percentage of portion of excess to capital employed.	Col. 3. Rate of tax on portion of excess shown in Col. 2.	Col. 4. Rate of tax on remainder of excess.
	per centum.	per centum.	per centum.
Where the excess is more than one per centum of the capital employed but not more than two per centum ..	1	4	8
Where the excess is more than two per centum of the capital employed but not more than three per centum ..	2	6	12
Where the excess is more than three per centum of the capital employed but not more than four per centum ..	3	8	16
Where the excess is more than four per centum of the capital employed but not more than five per centum ..	4	10	20
Where the excess is more than five per centum of the capital employed but not more than six per centum ..	5	12	24
Where the excess is more than six per centum of the capital employed but not more than seven per centum ..	6	14	28
Where the excess is more than seven per centum of the capital employed but not more than eight per centum ..	7	16	32
Where the excess is more than eight per centum of the capital employed but not more than nine per centum ..	8	18	36
Where the excess is more than nine per centum of the capital employed but not more than ten per centum ..	9	20	40
Where the excess is more than ten per centum of the capital employed but not more than eleven per centum ..	10	22	44
Where the excess is more than eleven per centum of the capital employed but not more than twelve per centum ..	11	24	48
Where the excess is more than twelve per centum of the capital employed but not more than thirteen per centum ..	12	26	52
Where the excess is more than thirteen per centum of the capital employed but not more than fourteen per centum ..	13	28	56
Where the excess is more than fourteen per centum of the capital employed ..	14	30	60