



ANNO QUINTO

GEORGI VI REGIS.

A.D. 1941.

No. 11 of 1941.

An Act to prescribe the rates of tax payable upon income derived during the financial year ended on the thirtieth day of June, nineteen hundred and forty-one, and during certain other periods, and for purposes incidental thereto.

[Assented to 1st October, 1941.]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

- Short title.** **1.** This Act may be cited as the "Income Tax (Rates) Act, 1941".
- Incorporation.** **2.** This Act is incorporated with the Income Tax Assessment Act, 1936, and that Act and this Act shall be read as one Act.
- Application of rates prescribed by this Act.** **3.** The rates of income tax prescribed by this Act shall apply—
- (a)** in respect of all assessments of income derived during the financial year ended on the thirtieth day of June, nineteen hundred and forty-one, or any accounting period lawfully adopted in lieu thereof, or any part of that year or period ; and
- (b)** in respect of all assessments of income derived during any subsequent year of income or accounting period or any part of any subsequent year of income or accounting period, where those assessments

are made before the passing of the Act fixing the rates of income tax for the financial year commencing on the first day of July, nineteen hundred and forty-two.

4. Where the whole taxable income of a taxpayer is derived from personal exertion, and the taxpayer is not taxable at the rates prescribed by section 6, the rate of tax payable on every pound of the taxable income shall be—

Rates where whole income is derived from personal exertion.

- (a) if the taxable income does not exceed five hundred pounds—fifteen pence and six one-thousandths of a penny increasing uniformly by six one-thousandths of a penny for every pound by which the taxable income exceeds one pound ;
- (b) if the taxable income exceeds five hundred pounds, but does not exceed one thousand pounds—eighteen pence plus two one-thousandths of a penny increasing uniformly by two one-thousandths of a penny for every pound by which the taxable income exceeds five hundred and one pounds ;
- (c) if the taxable income exceeds one thousand pounds, but does not exceed seven thousand pounds—nineteen pence plus six one-thousandths of a penny increasing uniformly by six one-thousandths of a penny for every pound by which the taxable income exceeds one thousand and one pounds ;
- (d) if the taxable income exceeds seven thousand pounds—fifty-five pence.

5. Where the whole taxable income of a taxpayer is derived from property, and the taxpayer is not taxable at the rates prescribed by section 7, the rate of tax for every pound of the taxable income shall be—

Rates where whole income is derived from property.

- (a) if the taxable income does not exceed five hundred pounds—twenty pence plus fourteen one-thousandths of a penny increasing uniformly by fourteen one-thousandths of a penny for every pound by which the taxable income exceeds one pound ;
- (b) if the taxable income exceeds five hundred pounds, but does not exceed one thousand pounds—twenty-seven pence plus two one-thousandths of a penny increasing uniformly by two one-thousandths of a penny for every pound by which the taxable income exceeds five hundred and one pounds ;

- (c) if the taxable income exceeds one thousand pounds but does not exceed seven thousand pounds—twenty-eight pence plus six one-thousandths of a penny increasing uniformly by six one-thousandths of a penny for every pound by which the taxable income exceeds one thousand and one pounds ;
- (d) if the taxable income exceeds seven thousand pounds—sixty-four pence.

Rates payable on personal exertion incomes under £500 of taxpayers with dependent families.

6. Where the taxpayer—

- (a) has a spouse and at least one child under the age of sixteen years at the commencement of the year of income or of the period in which the income was derived, wholly dependent on the taxpayer throughout the whole of that year of income or period ; or
- (b) is a widower and has at least one such child so dependent,

and the whole taxable income of the taxpayer is derived from personal exertion and does not exceed five hundred pounds, the rate of tax payable on every pound of the taxable income shall, instead of the rate which would otherwise be payable, be twelve pence plus twelve one-thousandths of a penny increasing uniformly by twelve one-thousandths of a penny for every pound by which the taxable income exceeds one pound.

Rates payable on property incomes under £500 of taxpayers with dependent families.

7. Where the taxpayer—

- (a) has a spouse and at least one child under the age of sixteen years at the commencement of the year of income or of the period in which the income was derived, wholly dependent on the taxpayer throughout the whole of that year of income or period ; or
- (b) is a widower and has at least one such child so dependent,

and the whole taxable income of the taxpayer is derived from property and does not exceed five hundred pounds, the rate of tax payable on every pound of the taxable income shall, instead of the rate that would otherwise be payable, be seventeen pence plus twenty one-thousandths of a penny increasing uniformly by twenty one-thousandths of a penny for every pound by which the taxable income exceeds one pound.

Rates payable by unmarried persons and others.

8. (1) Where the taxpayer is not a returned soldier or returned nurse, and is a resident of the State, and was on the last day of the year of income or of the period in which the

income was derived, an unmarried person of the age of twenty-one years or upwards, a male divorced person who had not remarried and had no children, or a widower without children, the rates of tax payable on every pound of the taxable income shall be—

- (a) where the whole taxable income is derived from personal exertion and does not exceed one thousand pounds—twenty-five pence plus two one-thousandths of a penny increasing uniformly by two one-thousandths of a penny for every pound by which the taxable income exceeds one pound ;
- (b) where the whole taxable income is derived from personal exertion and exceeds one thousand pounds, but does not exceed seven thousand pounds—twenty-seven pence plus six one-thousandths of a penny increasing uniformly by six one-thousandths of a penny for every pound by which the taxable income exceeds one thousand and one pounds ;
- (c) where the whole taxable income is derived from personal exertion and exceeds seven thousand pounds—sixty-three pence ;
- (d) where the whole taxable income is derived from property and does not exceed five hundred pounds—twenty-seven pence plus eight one-thousandths of a penny increasing uniformly by eight one-thousandths of a penny for every pound by which the taxable income exceeds one pound ;
- (e) where the whole taxable income is derived from property and exceeds five hundred pounds but does not exceed one thousand pounds—thirty-one pence plus two one-thousandths of a penny increasing uniformly by two one-thousandths of a penny for every pound by which the taxable income exceeds five hundred and one pounds ;
- (f) where the whole taxable income is derived from property and exceeds one thousand pounds, but does not exceed seven thousand pounds—thirty-two pence plus six one-thousandths of a penny increasing uniformly by six one-thousandths of a penny for every pound by which the taxable income exceeds one thousand and one pounds ;
- (g) where the whole taxable income is derived from property and exceeds seven thousand pounds—sixty-eight pence.

(2) Where the taxpayer would otherwise be taxable at the rates mentioned in subsection (1) of this section, but had a relative resident in Australia and wholly or mainly dependent upon his earnings during the whole of the year of income, the rates of tax on income derived by him shall be those specified in sections 4, 5, and 9. For purposes of this subsection, a relative shall not be deemed to be wholly or mainly dependent upon the earnings of the taxpayer, unless the taxpayer is allowed a concessional deduction of thirty pounds in respect of that relative.

(3) In this section—

“ returned soldier ” means—

- (a) a male person who enlisted for service outside Australia in the first Great War as a member of any naval, military, or air force raised in any part of His Majesty's Dominions ;
- (b) a male person who has served outside Australia in the second Great War as a member of any naval, military, or air force raised in any part of His Majesty's Dominions, and whose service in such force has been terminated ;

“ returned nurse ” means a nurse who served outside Australia during the first Great War or the second Great War in connection with any naval, military, or air force of any part of His Majesty's Dominions ;

“ the first Great War ” means the war of the years 1914-1918 ;

“ the second Great War ” means the war which commenced in the month of September nineteen hundred and thirty-nine.

Rates on
mixed incomes

9. Where the taxable income of a taxpayer is derived partly from personal exertion and partly from property, the rates of tax shall be—

- (a) on that part of the taxable income which is derived from personal exertion—the rate at which tax would have been payable on the whole of the taxable income of the taxpayer, if the whole of that income had been derived from personal exertion ;
- (b) on that part of the taxable income which is derived from property—the rate at which tax would have been payable on the whole of the taxable income of the taxpayer, if the whole of that income had been derived from property.

10. (1) Where the taxpayer is a trustee—Rates payable
by trustees.

- (a) if the beneficiary is presently entitled to the income, but is under a legal disability, the rate of tax shall be that which would be applicable if the income were directly received by the beneficiary ; and
- (b) if there is no beneficiary presently entitled to the income, the rate shall be that which would be applicable if the income were that of an individual taxpayer taxable at the rates mentioned in sections 4, 5, and 9, in his sole individual right.

(2) Where the taxpayer is the executor or administrator of a deceased taxpayer, the rate on income derived by him as executor or administrator shall be that which would apply if the deceased taxpayer were living and had been assessed on that income.

11. (1) Subject to section 10 of this Act the rate of income tax on income derived by a company shall be twenty-four pence in the pound.Rates payable
by companies.

(2) Where interest is paid or credited by a company to any person who is a non-resident of Australia—

- (a) on money secured by debentures of the company and used in the State, or used in acquiring assets for use or disposal in the State ; or
- (b) on money lodged at interest in the State with the company,

the rate of tax for every pound of interest so paid or credited shall be twenty-four pence.

12. (1) Where the taxpayer has a spouse and at least one child under the age of sixteen years at the commencement of the year of income, wholly dependent on the taxpayer throughout the whole of the year of income, and the net income of the taxpayer does not exceed two hundred and twelve pounds, the taxpayer shall be exempt from tax.Exemption
from tax of
basic wage
earner.

(2) In this section—

“ net income ” means the total of—

- (a) the assessable income of the taxpayer less all allowable deductions other than the statutory exemption and the concessional deductions ; and

(b) the gross income derived by the taxpayer outside the State less all deductions (other than the statutory exemption and the concessional deductions) which would be allowable deductions if that gross income were derived in the State.

In the name and on behalf of His Majesty, I hereby assent to this Bill.

C. M. BARCLAY-HARVEY, Governor.