



ANNO DECIMO OCTAVO

# GEORGII V REGIS.

A.D. 1927.

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## No. 1830.

An Act to amend the Taxation Act, 1927, and for other purposes.

*[Assented to, December 23rd, 1927.]*

**B**E it Enacted by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

1. (1) This Act may be cited as the "Taxation Amendment Act, 1927." Short titles.

(2) The Taxation Act, 1927 (hereinafter called "the principal Act") and this Act may be cited together as the "Taxation Acts of 1927."

2. This Act is incorporated with the Taxation Act, 1927, and that Incorporation. Act and this Act shall be read as one Act.

3. (1) This Act, with the exception of section 5 thereof, shall be deemed to have commenced on the first day of July, nineteen hundred and twenty-seven, and shall apply in respect of tax upon income accrued during the period of twelve months immediately preceding the said first day of July, as well as in respect of tax upon income accruing thereafter. Application of Act.

(2) Section 5 of this Act shall come into operation when this Act receives the Royal Assent, and shall apply as regards the land tax payable in aid of the general revenue of the State for the financial year ending on the thirtieth day of June, nineteen hundred and twenty-nine, and for subsequent financial years.

*Taxation Amendment Act.—1927.*

Amendment of  
principal Act,  
s. 4—

4. Section 4 of the principal Act is amended by inserting at the end of the definition of "Income derived from personal exertion" the following :—

Commonwealth  
bounties to be  
taxable.

The term "Income derived from personal exertion" shall, notwithstanding anything in the foregoing part of this definition, include any amount received from the Commonwealth as a bounty on the production or export of goods.

Amendment of  
principal Act,  
s. 6—  
Time for calculating  
land tax.

5. Section 6 of the principal Act is amended by striking out the word "December" in the second line thereof and inserting in lieu thereof "November".

Amendment of  
principal Act, s. 20—  
Rates of tax.

6. Subsections (1) and (2) of section 20 of the principal Act are repealed, and the following three subsections are hereby enacted and substituted in lieu thereof :—

(1) Where the whole taxable amount of income of a taxpayer is income derived from personal exertion, the income tax on income derived from personal exertion shall, except where this Act otherwise provides, be at the following rates :—

(a) For so much of the whole taxable amount of income derived from personal exertion as does not exceed Five Thousand Pounds, the rate of tax per Pound sterling shall be Five Pence and One Two-hundredth of a Penny where the taxable income is One Pound sterling, and shall increase uniformly with each increase of One Pound sterling of the taxable income by One Two-hundredth of a Penny.

(b) For every Pound sterling of the taxable amount of income derived from personal exertion in excess of Five Thousand Pounds the rate of tax shall be Thirty Pence.

(2) Where the whole taxable amount of income of a taxpayer is income consisting of the produce of property the income tax on income consisting of the produce of property shall, except where this Act otherwise provides, be at the following rates :—

(a) For so much of the whole taxable amount of income consisting of the produce of property as does not exceed Five Thousand Pounds, the rate of tax per Pound sterling shall be Eleven Pence and One Two-hundredth of a Penny where the taxable income is One Pound sterling, and shall increase uniformly with each increase of One Pound sterling of the taxable income by One Two-hundredth of a Penny.

(b) For every Pound sterling of the taxable amount of income consisting of the produce of property in excess of Five Thousand Pounds, the rate of tax shall be Thirty-six Pence.

(2a) Where

*Taxation Amendment Act.—1927.*

(2a) Where the taxable amount of income of a taxpayer is derived partly from personal exertion and consists partly of income the produce of property the income tax shall be at the following rates:—

- (a) On that part of the taxable amount of income which is derived from personal exertion income tax shall be payable at the rate which would have been applicable in respect of the whole of the taxable amount of income of the taxpayer, if the whole of such income had been income derived from personal exertion.
- (b) On that part of the taxable amount of income of the taxpayer which consists of the produce of property income tax shall be payable at the rate which would have been applicable in respect of the whole of the taxable amount of income of the taxpayer, if the whole of such income had been income consisting of the produce of property.

7. Subsection (3) of section 20 is repealed and the following subsection is hereby enacted and substituted in lieu thereof:—

Amendment of principal Act, s. 20 (3)—

(3) Notwithstanding anything contained in this Act the income tax payable by any person resident in South Australia—

Tax payable by bachelors, spinsters, and others.

- (a) who on the last day of the period for which the income is calculated was a bachelor, spinster, male divorced person who had not remarried and had no children, or widower without children; and
- (b) the net amount of whose income before making the deduction provided for by subdivision XI. of section 22 is not less than One Hundred Pounds,

shall be One Pound in addition to any other income tax which may be payable by such person apart from this subsection.

8. Subsection 4 of section 20 is amended by inserting after the word "taxpayer" in the second line thereof the words "derived from the business of life assurance".

Amendment of principal Act, s. 20, (4)—

Taxation of life assurance companies.

9. Section 20 of the principal Act is amended by inserting at the end thereof the following subsection:—

Further amendment of principal Act, s. 20—  
Minimum tax.

(5) Notwithstanding anything contained in this Act, where the amount of income tax payable by any party (including the amount of any super tax payable upon income under any law for the time being in force, but excluding any tax payable by that party pursuant to subsection (3) of this section) would, but for this subsection be less than One Pound, and such party resides in South Australia, the amount of tax payable by that party shall be One Pound, in addition to any tax payable by that party pursuant to subsection (3) of this section.

10. Subdivision

*Taxation Amendment Act.—1927.*

Amendment of  
principal Act,  
s. 22—

Decrease of  
statutory deduc-  
tion.

**10.** Subdivision XI. of section 22 of the principal Act is amended by striking out the words “ and Fifty ” in the second and fifth lines thereof and by adding at the end of the said subdivision the following passage:—

(c) where the taxpayer is a widow with one or more children under fifteen years of age wholly maintained by her, the deduction allowed by this section shall be Two Hundred Pounds.

Amendment of  
principal Act,  
s. 22—

Decrease of  
deduction for  
children.

**11.** Subdivision XII. of section 22 of the principal Act is amended by striking out the word “ Fifty ” where occurring in the seventh and twelfth lines thereof and inserting in lieu thereof the word “ Thirty ”.

Amendment of  
principal Act,  
s. 22—

Deduction for  
wife of taxpayer.

**12.** Section 22 of the principal Act is amended by inserting therein after subdivision XII. the following subdivision:—

**XIIA.** If the net amount of the income (before making the deduction provided for by subdivision XI. of this section) does not exceed Six Hundred and Fifty Pounds, and the account is the account of the taxpayer in his sole individual right and the taxpayer is resident in Australia, there shall also be deducted from the net amount of income—

(a) in the case of a male married taxpayer the sum of Thirty Pounds as an allowance for maintenance of the taxpayer's wife if such wife was wholly maintained by him during the whole period for which the income is calculated, or a proportionate part of Thirty Pounds if the wife was so maintained for part only of the said period; and

(b) in the case of an unmarried taxpayer the sum of Thirty Pounds as an allowance for maintenance of the taxpayer's parent or brother or sister (if under the age of sixteen years) if in the Commissioner's opinion any parent or brother or sister of the taxpayer has been wholly or mainly dependent on the taxpayer during the whole period for which the income is calculated, or a proportionate part of Thirty Pounds if in the Commissioner's opinion such parent or brother or sister has been wholly or mainly dependent as aforesaid for part only of the said period.

For the purposes of this subdivision the wife of a taxpayer shall not be deemed to be wholly maintained by the taxpayer if she is in receipt of or is entitled to receive an annual income in her own right of Fifty Pounds or more.

Amendment of  
principal Act, s. 22.

**13.** Subdivision XIII. of section 22 is amended—

(a) by striking out the word “ may ” in the first line thereof and inserting in lieu thereof “ shall ”; and

(b) by

*Taxation Amendment Act.—1927.*

(b) by striking out the words “ by the taxpayer ” in the second line thereof.

14. Section 23 of the principal Act is amended by inserting after the word “ assets ” in the eighth line the words “ other than the lease ”.

Amendment of principal Act, s. 23—

Taxation of proceeds of transfer of leases.

15. Section 24 of the principal Act is amended—

Amendment of principal Act, s. 24.

(a) by striking out the word “ may ” in the first line and inserting in lieu thereof the word “ shall ”; and

(b) by striking out the words “ by the taxpayer ” in the second line thereof.

16. Part V. of the principal Act is amended by inserting therein after section 31 the following section :—

New section 31A.

31A. Where a taxpayer carries on business in partnership with any one or more of the following persons, namely :—

Taxation of partnerships.

(a) the wife or husband of the taxpayer,

(b) any relation of the taxpayer by blood, marriage, or adoption,

with or without any other person, the taxpayer shall be deemed to have received as income and shall be liable to pay income tax on the whole of the net income arising from the partnership business unless the taxpayer proves to the satisfaction of the Commissioner that each partner is entitled under a written partnership agreement or otherwise to a share in the assets of the partnership, and that each partner actually received a share of the income of the partnership in accordance with such agreement: Provided that if a taxpayer is liable to pay tax on the whole of the income of a partnership as aforesaid the Commissioner shall allow to be deducted such amounts as he considers reasonable and as are actually paid to any such partners for services actually performed by them in the business.

17. Section 36 of the principal Act is amended by inserting at the end thereof the following passage :—

Amendment of principal Act, s. 36.

Notwithstanding the other provisions of this Act the income tax payable in respect of any income calculated and assessed under this section shall be at the rate of Twenty-four Pence for every Pound of the said taxable income, which rate shall include any super tax imposed by any Act at any time in force.

Rate of tax on income from foreign shipping.

18. Section 37 of the principal Act is amended by striking out subsection (6) thereof and inserting in lieu thereof the following subsection :—

Amendment of principal Act, s. 37.

(6) Notwithstanding the other provisions of this Act the income tax payable in respect of any income calculated and assessed under this section shall be at the rate of Twenty-four Pence

Rate of tax on income from casual shipping.

*Taxation Amendment Act.—1927.*

Pence for every Pound of the said taxable income which rate shall include any super tax imposed by any Act at any time in force.

Amendment of  
principal Act, s. 60.  
Power to communi-  
cate information to  
Commissioner of  
Succession Duties.

**19.** Section 60 of the principal Act is amended by inserting after the word "person" in the sixth line of subsection (3) the words "to the Commissioner of Succession Duties for the State or".

Amendment of  
principal Act,  
s. 62—  
Preparation of  
assessments.

**20.** Section 62 of the principal Act is amended by inserting after the word "shall" in the fifth line thereof the words "from the said returns and from any other information in his possession or from any of those sources".

Amendment of  
principal Act,  
s. 64—

**21.** Section 64 of the principal Act is amended by adding at the end thereof the following subsection:—

Penalty for false  
return.

(3) Notwithstanding anything contained in subsection (1) hereof every taxpayer who—

(a) fails to include in his return, any income (not being income which by law is exempt from taxation under this Act), or

(b) includes in any return as a deduction in respect of any expenses incurred by him an amount which is in excess of the expenses incurred by him

shall pay by way of additional tax an amount equal to double the tax which would have been evaded if the assessment had been based on the return lodged.

Provided that the Commissioner may remit such additional tax in whole or in part if sufficient reason is shown.

Amendment of  
principal Act, s. 72—  
Consequential  
amendment.

**22.** Section 72 of the principal Act is amended by striking out the word "December" in the second line thereof and inserting in lieu thereof the word "November".

New section 105a—

**23.** Part IX. of the principal Act is amended by inserting therein after section 105 the following section:—

Power to collect tax  
from person owing  
money to taxpayer.

105a. (1) The Commissioner may by notice in writing (a copy of which shall be forwarded to the taxpayer to the last place of address known to the Commissioner) require—

(a) any party by whom any money is due or accruing due or may become due to a taxpayer;

(b) any person who holds, or may subsequently hold, money for or on account of a taxpayer;

(c) any party who holds or may subsequently hold money on account of some other person for payment to a taxpayer; or

(d) any party having authority from some other person to pay money to a taxpayer,

to

*Taxation Amendment Act.—1927.*

to pay to him forthwith, or upon the money becoming due or being held, or within such further time as the Commissioner allows the money or so much thereof as is sufficient to pay the tax due by the taxpayer and the interest and penalties and costs (if any) imposed by this Act or any Court on him in respect of any omission or offence against such Act: Provided that no such notice as aforesaid shall be given in respect of any taxpayer unless the Commissioner has first obtained a judgment in a Court of competent jurisdiction for the amount of tax due by the taxpayer.

(2) Any party who fails to comply with any notice under this section shall be liable to a penalty not exceeding Fifty Pounds.

(3) Where the amount payable by the party to the taxpayer is less than the amount of tax and interest and penalty due by the taxpayer, the party shall pay to the Commissioner in reduction of such tax and interest and penalty the amount payable by that party to the taxpayer.

(4) Any party making payment in pursuance of this section shall be deemed to have been acting under the authority of the taxpayer and of all other parties concerned, and is hereby indemnified in respect of such payment.

(5) If the tax and interest and penalties (if any) are paid before any payment is made under any notice given in pursuance of this section, the Commissioner shall forthwith give notice to the party of the payment.

105b. Every taxpayer carrying on business shall enter or cause to be entered in a book or books to be kept for that purpose full particulars of his business transactions in such a language and manner that his income can be readily ascertained. The Commissioner may require any taxpayer to alter his method of keeping his books if, in the opinion of the Commissioner, they are not kept in a satisfactory manner. Any person who fails to comply with any requirement of this section or any requirement of the Commissioner under this section shall be guilty of an offence and shall be liable to a penalty of not less than One Pound and not more than Fifty Pounds.

Accounts of  
taxpayers business.

24. Section 111 of the principal Act is amended by inserting at the end of subsection (1) thereof the words "and shall set aside out of the assets of the Company such sum as the Commissioner by notice in writing requires, being a sum which, in the Commissioner's opinion, is sufficient to pay any income tax which is payable at the time of winding up or will thereafter become payable."

Amendment of  
principal Act, s.  
111—

Duty of liquidators  
of companies.

25. Section 114 of the principal Act is amended by striking out the words "One Shilling" therein and inserting in lieu thereof "Five Shillings."

Amendment of  
principal Act, s. 114.

26. (1) In

*Taxation Amendment Act.—1927.*

Super tax on  
income for year  
1926-27.

**26.** (1) In addition to the income tax at the rates prescribed by section 20 of the principal Act there shall be payable a super tax equal to twenty-five per centum of the total amount of such income tax, which super tax shall be added to and shall form part of such income tax.

(2) The super tax imposed by this section shall be collected only in respect of income tax on incomes for the period of twelve months ended on the thirtieth day of June, nineteen hundred and twenty-seven.

Super tax on land  
for year 1927-28.

**27.** (1) In addition to the taxes on land at the rates prescribed by section 11 of the principal Act there shall be payable a super tax equal to twenty-five per centum of the total amount of such taxes on land, which super tax shall be deemed to be land tax under the principal Act.

(2) The super tax imposed by this section shall be collected only in respect of the taxes on land payable in aid of the General Revenue of the State for the financial year ending on the thirtieth day of June, nineteen hundred and twenty-eight.

Application of  
Taxation Act, 1925.

**28.** Whereas the Taxation Act, 1925, was assented to by His Excellency the Governor on the 6th day of January, nineteen hundred and twenty-six: And whereas it was intended that the said Act should apply in respect of the taxes payable for the financial year ending on the thirtieth day of June, nineteen hundred and twenty-six, upon income accrued during the period of twelve months ending on the thirtieth day of June, nineteen hundred and twenty-five: And whereas it has been assumed that the said Act does so apply and taxes have been assessed and collected accordingly, but doubts have arisen whether the said Act upon the true construction thereof does so apply: Now, therefore, it is hereby declared that the said Act shall, for all purposes, be deemed to have been in operation on and from the first day of July, nineteen hundred and twenty-five, and shall apply and be deemed to have applied in respect of taxes upon income accrued during the period of twelve months ending on the thirtieth day of June, nineteen hundred and twenty-five: Provided that this section shall not affect the assessment for tax upon income for the period aforesaid of any person who, prior to the first day of December, nineteen hundred and twenty-seven, has obtained a Judgment of the Local Court of Adelaide of Full Jurisdiction in his favor as to any matter arising under his assessment.

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

G. J. R. MURRAY, Lieutenant-Governor.