

# INCOME TAX.

## No. 41 of 1915.

### An Act to impose a Progressive Tax upon Incomes.

[Assented to 13th September, 1915.]

**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 <i>Income Tax Act 1915</i> . <sup>(a)</sup>   |
| Incorporation.               | 2. The <i>Income Tax Assessment Act 1915</i> shall be incorporated and read as one with this Act.   |
| Imposition of<br>income tax. | 3. Income tax is imposed at the rates declared in this Act.   |
| Rate of income<br>tax.       | 4.—(1.) The rate of the income tax in respect of income derived from personal exertion shall be as set out in the First Schedule to this Act.<br>(2.) The rate of the income tax in respect of income derived from property shall be as set out in the Second Schedule to this Act.<br>(3.) The rate of the income tax in respect of the income of a company shall be as set out in the Third Schedule to this Act. |
| Levy of<br>income tax.       | 5. Income tax shall be levied in and for the financial year beginning on the first day of July One thousand nine hundred and fifteen.   |

## THE SCHEDULES.

### FIRST SCHEDULE.

#### RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For so much of the taxable income as does not exceed £7,600 the rate of tax per pound sterling shall be Threepence and three eight-hundredths of one penny where the taxable value is One pound sterling, and shall increase uniformly with each increase of One pound sterling of the taxable income by three eight-hundredths of one penny.

For every pound sterling of taxable income in excess of £7,600 the rate of tax shall be sixty pence.

The rate of tax for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula :—

R=rate of tax in pence per pound sterling.

I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{3}{800} I \right) \text{pence.}$$

<sup>(a)</sup> This Act has since been amended by Act No. 48, 1915 (*infra*, p. 197). For a copy of this Act as so amended see *infra*, p. 271.

SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For income of a taxable value not exceeding £546 the rate of tax shall be calculated from the following formula :—

R=rate of tax in pence per pound sterling.  
I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{I}{181.07} \right) \text{pence.}$$

(b) For income of a taxable value exceeding £546 but not exceeding £2,000 the rate of tax shall be calculated in the following manner—

The rate of the tax shall increase continuously with the increase of the taxable value of the income in a curve of the second degree in such a manner that the increment of tax per pound increase of taxable income shall be—

at a taxable income of	£546 ...	11 713 pence
at a taxable income of	£600 ...	12 768 pence
at a taxable income of	£700 ...	14 672 pence
at a taxable income of	£800 ...	16 512 pence
at a taxable income of	£900 ...	18 288 pence
at a taxable income of	£1,000 ...	20 000 pence
at a taxable income of	£1,500 ...	27 600 pence
at a taxable income of	£2,000 ...	33 600 pence

Note.—Amount of tax for taxable incomes of these amounts. Equivalent to an average rate of—  
£546 .. £13 13 8 .. 6.015 pence  
£600 .. 16 8 9 .. 6.576 pence  
£700 .. 22 3 2 .. 7.597 pence  
£800 .. 28 13 2 .. 8.597 pence  
£900 .. 35 18 2 .. 9.576 pence  
£1,000 .. 43 17 9 .. 10.533 pence  
£1,500 .. 93 15 0 .. 15.000 pence  
£2,000 .. 157 15 7 .. 18.933 pence

(c) For income of a taxable value exceeding £2,000 the rate of tax shall be calculated in the following manner—

For so much of taxable value as does not exceed £6,500, the rate of tax shall increase continuously with the increase of the taxable value of the income in a curve of the third degree in such a manner that the increment of tax per pound increase of taxable income shall be —

at a taxable income of	£2,000 ...	33 600 pence
at a taxable income of	£2,500 ...	40 000 pence
at a taxable income of	£3,000 ...	45 300 pence
at a taxable income of	£3,500 ...	49 600 pence
at a taxable income of	£4,000 ...	53 000 pence
at a taxable income of	£4,500 ...	55 600 pence
at a taxable income of	£5,000 ...	57 500 pence
at a taxable income of	£5,500 ...	58 800 pence
at a taxable income of	£6,000 ...	59 600 pence
at a taxable income of	£6,500 ...	60 000 pence

Note.—Amount of tax for taxable incomes of these amounts. Equivalent to an average rate of—  
£2,000 .. £157 15 7 .. 18.933 pence  
£2,500 .. 324 12 11 .. 22.525 pence  
£3,000 .. 423 13 7 .. 28.804 pence  
£3,500 .. 492 14 0 .. 38.951 pence  
£4,000 .. 539 16 5 .. 51.783 pence  
£4,500 .. 574 19 7 .. 61.991 pence  
£5,000 .. 599 19 1 .. 68.533 pence  
£5,500 .. 612 11 1 .. 71.388 pence  
£6,000 .. 622 11 1 .. 71.422 pence  
£6,500 .. 630 4 0 .. 71.417 pence

For every pound sterling of taxable income in excess of £6,500 the rate of tax shall be sixty pence.

THIRD SCHEDULE.

RATE OF TAX ON THE INCOME OF A COMPANY.

For every pound sterling of the taxable income of a company the rate of tax shall be one shilling and sixpence.