

INCOME TAX.

No. 37 of 1916.

An Act to impose Taxes upon Incomes.

[Assented to 21st December, 1916.]

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

1. This Act may be cited as the *Income Tax Act 1916*. Short title
 2. The *Income Tax Assessment Act 1915-1916* shall be incorporated and read as one with this Act. Incorporation.
 3. Income tax is imposed at the rates and amount declared in this Act. Imposition of income tax.
 - 4.—(1.) The rate of the income tax in respect of income from personal exertion shall be as set out in the First Schedule to this Act. Rate of income tax.
 - (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.
 - (3.) The rates of the income tax in respect of a total taxable income derived partly from personal exertion and partly from property shall be as set out in the Third Schedule to this Act.
 - (4.) Notwithstanding anything contained in the last three sub-sections the tax payable by any person who—
 - (a) is not married, has no dependants, and is not an absentee and
 - (b) has a gross income of not less than One hundred pounds, or, in the case of a person carrying on business in Australia, has an income from the business which, after deducting from the gross income the deductions specified in paragraph (a) of sub-section (1.) of section eighteen of the *Income Tax Assessment Act 1915-1916* amounts, together with his income from all other sources in Australia, to not less than One hundred pounds, and
 - (c) would, apart from this sub-section, not be liable to pay an income tax of One pound or upwards,
- shall be One pound.
- (5.) The rate of the income tax in respect of the income of a company shall be as set out in the Fourth Schedule to this Act.

Additional tax. 5. In addition to the tax payable under the preceding provisions of this Act there shall be payable, in the case of incomes in respect of which tax is calculated under the First Second or Third Schedule, an additional tax equal to twenty-five per centum of the tax so calculated.

Levy of income tax. 6. Income tax shall be levied in and for the financial year beginning on the first day of July One thousand nine hundred and sixteen.

THE SCHEDULES.

FIRST SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For so much of the whole 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 income 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 average rate of tax per pound sterling for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula :—

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling.

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

SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

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

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling.

$$R = \left(3 + \frac{I}{181.058} \right) \text{ pence.}$$

(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 tax on each additional pound 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 for one 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

SECOND SCHEDULE—*continued.*

(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 on each additional pound 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 for one 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

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

THIRD SCHEDULE.

RATES OF TAX IN RESPECT OF TAXABLE INCOME DERIVED PARTLY FROM PERSONAL EXERTION AND PARTLY FROM PROPERTY.

- (a) For every pound sterling of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under the First Schedule if the total taxable income of the taxpayer were derived exclusively from personal exertion by the amount of the total taxable income.
- (b) For every pound sterling of taxable income derived from property the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under the Second Schedule if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

FOURTH SCHEDULE.

RATES OF TAX UPON THE INCOME OF A COMPANY.

- (a) For every pound sterling of the taxable income of a Company which has not been distributed to the members or shareholders of the Company the rate of tax shall be one shilling and tenpence halfpenny.
- (b) For every pound sterling of the income of a Company distributed to the members shareholders or stockholders of the Company who are absentees and of interest paid or credited by the Company to any person who is an absentee in respect of debentures of the Company or on money lodged at interest with the Company by such person the rate of tax shall be sixpence.