

INCOME TAX.

No. 50 of 1924.

An Act to impose Taxes upon Incomes.

[Assented to 20th October, 1924.]

BE 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 *Income Tax Act* 1924.

Incorporation.

2. The *Income Tax Assessment Act* 1922-1924 shall be incorporated and read as one with this Act.

Imposition of income tax.

3. Income tax is imposed at the rates and amounts declared in this Act.

Rates 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.

(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 preceding sub-sections, where a person would, apart from this sub-section, be liable to pay income tax of an amount less than One pound the tax payable by that person shall be One pound.

(5.) The rates of the income tax payable by 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 the tax is calculated under the First, Second or Third Schedules, an additional tax equal to thirty-eight per centum of the amount of the tax so calculated.

Tax on prizes in lotteries.

6. There shall be payable in respect of a prize in a lottery paid in cash or by means of inscribed stock or bonds or other negotiable instruments, and won prior to a date to be fixed by Proclamation, income tax to the amount of twelve and one-half per centum of the gross prize money, or of the face value of the stock, bonds or instruments and, in respect of any such prize won on or after the date so fixed, no income tax shall be payable.

Levy of income tax.

7.—(1.) Income tax shall be levied and paid for the financial year beginning on the first day of July One thousand nine hundred and twenty-four.

(2.) This Act shall also apply to all assessments made for the financial year beginning on the first day of July One thousand nine

hundred and twenty-five and made prior to the passing of the Act for the levying and payment of the income tax for the financial year beginning on the first day of July One thousand nine hundred and twenty-five.

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 average 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.

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.

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

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

SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For such part of the taxable income as does not exceed £546 the average rate of tax per pound sterling shall be that given by 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 such part of the taxable income as exceeds £546 but does not exceed £2,000, the additional tax for each additional pound of taxable income above £546 shall increase continuously with the increase of the taxable income in a curve of the second degree in such a manner that the increase of tax for one pound increase of taxable income shall be—

11.713 pence for the pound sterling between £545 10s. and £546 10s.

12.768 pence for the pound sterling between £599 10s. and £600 10s.

14.672 pence for the pound sterling between £699 10s. and £700 10s.

16.512 pence for the pound sterling between £799 10s. and £800 10s.

18.288 pence for the pound sterling between £899 10s. and £900 10s.

20.000 pence for the pound sterling between £999 10s. and £1,000 10s.

27.600 pence for the pound sterling between £1,499 10s. and £1,500 10s.

33.600 pence for the pound sterling between £1,999 10s. and £2,000 10s.

(c) For such part of the taxable income as exceeds £2,000 but does not exceed £6,500, the additional tax for each additional pound of taxable income above £2,000 shall increase continuously with the increase of the taxable income in a curve of the third degree in such a manner that the increase of tax for one pound increase of taxable income shall be—

33.600 pence for the pound sterling between £1,999 10s. and £2,000 10s.

40.000 pence for the pound sterling between £2,499 10s. and £2,500 10s.

45.300 pence for the pound sterling between £2,999 10s. and £3,000 10s.

49.600 pence for the pound sterling between £3,499 10s. and £3,500 10s.

53.000 pence for the pound sterling between £3,999 10s. and £4,000 10s.

55.600 pence for the pound sterling between £4,499 10s. and £4,500 10s.

57.500 pence for the pound sterling between £4,999 10s. and £5,000 10s.

58.800 pence for the pound sterling between £5,499 10s. and £5,500 10s.

59.600 pence for the pound sterling between £5,999 10s. and £6,000 10s.

60.000 pence for the pound sterling between £6,499 10s. and £6,500 10s.

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 PAYABLE BY A COMPANY.

- (a) For every pound sterling of the taxable income of a Company, the rate of tax shall be one shilling.
- (b) For every pound sterling 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 one shilling.

INCOME TAX ASSESSMENT.

No. 51 of 1924.

An Act to amend the *Income Tax Assessment Act* 1922-1923.

[Assented to 20th October, 1924.]

BE 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
and citation.

1.—(1.) This Act may be cited as the *Income Tax Assessment Act* 1924.

(2.) The *Income Tax Assessment Act* 1922-1923 is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Act* 1922-1924.

Repeal,

2.—(1.) Section two of the Principal Act is amended by inserting at the end thereof the following proviso:—

“ Provided that the Acts repealed by this Act shall, subject to this Act, continue, and be deemed to have at all times continued, in force for all purposes in connexion with income tax payable for any financial year prior to the first day of July One thousand nine hundred and twenty-two.”