

INCOME TAX.

No. 50 of 1935.

An Act to impose Taxes upon Incomes.

[Assented to 3rd December, 1935.]

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* 1935.

Incorporation.

2. The *Income Tax Assessment Act* 1922-1934 shall be incorporated and read as one with this Act.

Imposition of income tax.

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

Rates of income tax.

4.—(1.) The rate of 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 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 income tax in respect of a 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 the amount of income tax which a person would, apart from this sub-section, be liable to pay is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

(5.) The rate of income tax payable by a trustee shall be as set out in the Fourth Schedule to this Act.

(6.) Subject to sub-section (5.) of this section, the rates of income tax payable by a company shall be as set out in the Fifth Schedule to this Act.

(7.) The rate of income tax payable by an individually owned partnership shall be as set out in the Sixth Schedule to this Act.

(8.) The rate of income tax payable by a severally owned partnership shall be as set out in the Seventh Schedule to this Act.

Further tax on income from property.

5.—(1.) In addition to any income tax payable under the preceding provisions of this Act, there shall be payable upon the taxable income derived by any person—

(a) from property ;

(b) by way of interest, dividends, rents or royalties, whether derived from personal exertion or from property ; and

(c) in the course of carrying on a business, where the income is of such a class that if derived otherwise than in the course of carrying on a business, it would be income from property,

a further income tax of five per centum of the amount of that taxable income.

(2.) Where income tax is payable by a company under this section, income tax shall not be payable under this section by a member or shareholder of that company upon that part of his taxable income attributable to income derived by him in consequence of the distribution by that company to its members or shareholders of the income or any part thereof upon which tax is so payable by that company or in consequence of a succession of such distributions through another company or through other companies of that income or any part thereof.

(3.) For the purposes of the last preceding sub-section, the part of the taxable income of a member or shareholder of a company which is attributable to income derived by him in consequence of the distribution specified in that sub-section, shall be so much of the part of the dividends included in the taxable income of the member or shareholder (as that part is defined by sub-section (3.) of section sixteen AB of the *Income Tax Assessment Act 1922-1934*), as bears to that part of the dividends so included, the same proportion as the gross amount of the income derived by the member or shareholder from the company in consequence of the distribution specified in the last preceding sub-section, bears to the gross amount of all income derived during the year of income, by that member or shareholder from dividends.

(4.) Sub-sections (2.) to (13.) inclusive of section thirteen of the *Income Tax Assessment Act 1922-1934* shall not apply to tax payable under the provisions of this section.

6.—(1.) Income tax shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and thirty-five.

Levy of
income tax.

(2.) This Act shall also apply to all assessments for financial years subsequent to that beginning on the first day of July, One thousand nine hundred and thirty-five made prior to the passing of the Act for the levying and payment of income tax for the financial year beginning on the first day of July, One thousand nine hundred and thirty-six.

THE SCHEDULES.

FIRST SCHEDULE.

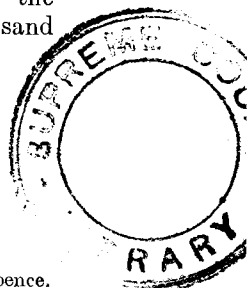
RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For the purposes of this Schedule— T = taxable income in pounds.

If the taxable income does not exceed £6,900, the rate of tax for every pound of taxable income shall be .. $\frac{85}{100} \left\{ 3 + \frac{T}{160} \right\}$ pence.

If the taxable income exceeds £6,900, the rate of tax for every pound of taxable income up to and including £6,900 shall be .. $\frac{85}{100} \left\{ 3 + \frac{6,900}{160} \right\}$ pence.

and the rate of tax for every pound of taxable income in excess of £6,900 shall be 76.5 pence.



SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

For the purposes of this Schedule— T = taxable income in pounds.

If the taxable income does not exceed £500, the rate of tax for every pound of taxable income shall be .. $\left\{ 3 + \frac{T}{100} \right\}$ pence.

If the taxable income exceeds £500 but does not exceed £1,500, the rate of tax for every pound of taxable income shall be .. $\left\{ 1 + \frac{T \times 14}{1,000} \right\}$ pence.

If the taxable income exceeds £1,500 but does not exceed £3,700, the rate of tax for every pound of taxable income shall be .. $\left\{ 4\frac{1}{2} + \frac{T \times 23}{2,000} \right\}$ pence.

If the taxable income exceeds £3,700, the rate of tax for every pound of taxable income up to and including £3,700 shall be .. $\left\{ 4\frac{1}{2} + \frac{3,700 \times 23}{2,000} \right\}$ pence.
and
the rate of tax for every pound of taxable income in excess of £3,700 shall be .. 90 pence.

THIRD SCHEDULE.

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

(a) For every pound 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 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.

RATE OF TAX PAYABLE BY A TRUSTEE.

For every pound of the taxable income in respect of which a trustee is liable to be separately assessed and to pay tax, the rate of tax shall be the rate which would be payable under the First, Second or Third Schedules, as the case requires, if one individual were liable to be separately assessed and to pay tax on that taxable income.

FIFTH SCHEDULE.

RATES OF TAX PAYABLE BY A COMPANY.

(a) Subject to the last preceding Schedule, for every pound of the taxable income of a company, the rate of tax shall be 12 pence.

(b) For every pound of interest paid or credited by a 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 12 pence.

SIXTH SCHEDULE.

RATE OF TAX PAYABLE BY AN INDIVIDUALLY OWNED PARTNERSHIP.

Individually owned partnerships other than Trusts which are partnerships.

For every pound of the taxable income of an individually owned partnership, the rate of tax shall be determined as follows :—

- (a) from the total amount of tax which would be payable by the member specified under sub-section (2.) of section twenty-nine of the *Income Tax Assessment Act 1922-1934* if the taxable income of the partnership were added to his own taxable income, subtract the amount of tax actually payable by him in respect of his own taxable income ; and
- (b) divide the amount obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

Trusts which are individually owned partnerships.

For every pound of the taxable income of a trust which is an individually owned partnership, the rate of tax shall be determined as follows :—

- (a) from the amount of tax which would be payable by the person by whom the trust was created if the taxable income of the partnership were added

- to his own taxable income, subtract the amount of tax actually payable by him in respect of his own taxable income; and
- (b) divide the amount obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

SEVENTH SCHEDULE.

RATE OF TAX PAYABLE BY A SEVERALLY OWNED PARTNERSHIP.

For every pound of the taxable income of a severally owned partnership, the rate of tax shall be determined as follows:—

- (a) compute the total of the amounts of tax that would be payable by the several members specified under sub-section (2.) of section twenty-nine of the *Income Tax Assessment Act 1922-1934*, if the severally owned partnership were a partnership (other than a severally owned partnership) between those members with equal interests;
- (b) from the total tax obtained by the application of the last preceding paragraph subtract the total of the amounts of tax actually payable by those several members on their own taxable incomes; and
- (c) divide the difference obtained by the application of the last preceding paragraph by the number of pounds in the taxable income of the partnership.

APPROPRIATION 1935-36.

No. 51 of 1935.

An Act to grant and apply out of the Consolidated Revenue Fund a sum for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-six and to appropriate the Supplies granted by the Parliament for such year.

[Assented to 5th December, 1935.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, for the purpose of appropriating the grant originated in the House of Representatives, as follows:—

Preamble.

1. This Act may be cited as the *Appropriation Act 1935-36*.

Short title.

2. The Treasurer may issue out of the Consolidated Revenue Fund and apply towards making good the supply hereby granted to His Majesty for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-six the sum of Twelve million five hundred and twenty-three thousand eight hundred and thirty pounds.

Issue and application of
£12,523,830.

3. All sums granted by this Act and the other Acts mentioned in the First Schedule to this Act out of the Consolidated Revenue Fund towards making good the supply granted to His Majesty for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-six amounting as appears by the said Schedule in the aggregate to the sum of Twenty-three million

Appropriation
of supply
£23,759,770.