

INCOME TAX ASSESSMENT (No. 2).

No. 69 of 1941.

An Act to amend the *Income Tax Assessment Act 1936-1940*, as amended by the *Income Tax Assessment Act 1941*, and for other purposes.

[Assented to 18th December, 1941.]

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.—(1.) This Act may be cited as the *Income Tax Assessment Act (No. 2) 1941*.

Short title
and citation.

(2.) Section one of the *Income Tax Assessment Act 1941** is amended by omitting sub-section (3.).

(3.) The *Income Tax Assessment Act 1936-1940*†, as amended by the *Income Tax Assessment Act 1941*, is in this Act referred to as the Principal Act.

(4.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Act 1936-1941*.

2.—(1.) This Act shall come into operation on the thirty-first day of December, One thousand nine hundred and forty-one, and, subject to the next succeeding sub-section, the amendments effected by this Act shall apply to all assessments for the financial year which commenced on the first day of July, One thousand nine hundred and forty-one, and all subsequent financial years.

Commencement.

(2.) The amendment effected by section four of this Act shall apply to all assessments for the financial year which commenced on the first day of July, One thousand nine hundred and forty, and all subsequent financial years.

3. Section five of the Principal Act is amended by inserting after the words "PART IIIA.—FURTHER TAX ON UNDISTRIBUTED INCOME OF COMPANY." the words "PART IIIB.—WAR TAX."

Parts.

* Act No. 58, 1941.

† Act No. 27, 1936, as amended by No. 88, 1936; No. 5, 1937; No. 46, 1938; No. 30, 1939; No. 17, 1940; and No. 65, 1940.

Exemptions.

4. Section twenty-three of the Principal Act is amended by inserting after paragraph (s) the following paragraph :—

“and (t) in the case of a member of the Defence Force, payments made by way of dependants’ allowances.”.

5. After Part IIIA. of the Principal Act the following Part is inserted :—

“ PART IIIB.—WAR TAX.

War tax.

“ 160F. War tax at the rates declared by the Parliament shall be levied and paid on the war tax income of every person (other than a company) whose war tax income, as ascertained in accordance with this Part, exceeds One hundred and fifty-six pounds, or, in the case of a member of the Defence Force having a war tax income which includes pay and allowances earned by him as a member of that Force, exceeds Two hundred pounds.

War tax income.

“ 160G. For the purposes of this Part, the war tax income of a taxpayer shall be ascertained by deducting from his assessable income—

(a) all allowable deductions except the deductions allowed by sections seventy-two to seventy-six (both inclusive), paragraph (a) of sub-section (1.) of section seventy-eight, and sections seventy-nine to eighty-one (both inclusive), of this Act ;

(b) sums for which the taxpayer is personally liable and which are paid in Australia by him in the year of income for—

(a) rates which are annually assessed ; or

(b) Federal land tax or land tax imposed under any law of a State or of a Territory being part of the Commonwealth (other than taxes which are deductible under section seventeen of the *Estate Duty Assessment Act 1914-1940*),

to the extent to which those rates or taxes are charged or levied in respect of property held by the taxpayer for the purpose of producing assessable income ; and

(c) any income tax payable under this Act (other than war tax payable under this Part) in respect of income of the year of income.

Rebates.

“ 160H.—(1.) Subject to sub-section (2.) of this section, in ascertaining the war tax payable by any person a rebate of Two pounds twelve shillings shall be allowed where the taxpayer is a resident—

(a) in respect of his spouse, or where the taxpayer is a widower or widow, in respect of a female relative having the care of any of the taxpayer’s children who are under sixteen

years of age, if the spouse or relative is a resident and is wholly maintained by the taxpayer. For the purpose of this paragraph, the spouse or relative shall be deemed to be wholly maintained by the taxpayer if the separate net income derived from all sources by the spouse or relative in the year of income does not exceed Fifty pounds and the taxpayer contributes to the maintenance of the spouse or relative, and not otherwise :

Provided that, if that spouse or relative is wholly maintained by the taxpayer during part only of the year of income, the rebate allowable shall be such part of the sum of Two pounds twelve shillings as, in the opinion of the Commissioner, is reasonable in the circumstances ;

- (b) in respect of each child who is a resident and is under the age of sixteen years at the beginning of the year of income and is wholly maintained by the taxpayer :

Provided that, where a child is born during the year of income, or attains the age of sixteen years during the year, or is wholly maintained by the taxpayer during part only of the year, or is only partially maintained by him during the whole or part of the year, the rebate allowable shall be such part of the sum of Two pounds twelve shillings as, in the opinion of the Commissioner, is reasonable in the circumstances ; and

- (c) in respect of the mother of the taxpayer if she is a resident and is wholly maintained by the taxpayer :

Provided that if the mother is wholly maintained by the taxpayer during part only of the year of income, the rebate allowable shall be such part of the sum of Two pounds twelve shillings as, in the opinion of the Commissioner, is reasonable in the circumstances.

“(2.) In respect of the financial year which commenced on the first day of July, One thousand nine hundred and forty-one, any rebate allowable under the last preceding sub-section shall be reduced by one-half.

“160j. Subject to this Part, all the provisions of this Act shall, *mutatis mutandis*, apply, with such modifications and adaptations (if any) as are prescribed, in relation to war tax in the same manner as they apply in relation to income tax.”.

Application of
this Act to
war tax.