

Act No. 24, 1911.

INCOME TAX.

An Act to amend the law relating to the assessment of and to impose an income tax; to amend the Land and Income Tax Assessment Act of 1895, the Land and Income Tax (Amendment) Act, 1897, the Land and Income Tax (Declaratory) Act, 1898, the Land and Income Tax (Amendment) Act, 1904, the Taxation Amending Act, 1905; to repeal the Income Tax Act of 1895, the Income Tax Deduction Act, 1907, and the Taxation Amending Act, 1906; and for purposes consequent thereon or incidental thereto. [27th December, 1911.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Preliminary.

Short title.

1. This Act may be cited as the "Income Tax Act, 1911."

Incorporation of Acts.

2. This Act shall be construed with the Land and Income Tax Assessment Act of 1895, the Land and Income Tax (Amendment) Act, 1897, the Land and Income Tax (Declaratory) Act, 1898, and the Land and Income Tax (Amendment) Act, 1904.

Definitions.

3. In this Act, unless the context requires another meaning,—
 "Absentee" means person, other than a company, who during the twelve months next preceding the day fixed for furnishing returns for the purpose of the assessment of income tax has resided or had his principal place of abode at some place out of the Commonwealth of Australia.

"Income derived from personal exertion" means income, in respect of which any person is liable to taxation, arising or accruing to such person from any bonuses, fees, commission, salaries, wages, allowances (except travelling or forage allowances), pensions, superannuation or retiring allowances, or stipends earned in or derived from New South Wales, and all income arising

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arising or accruing from any business, profession, trade, employment, or vocation carried on in New South Wales, whether the same be carried on by such person on his own behalf wholly, or in part by any other person.

“Income derived from the produce of property” means income, in respect of which any person is liable to taxation, arising or accruing in New South Wales to such person, wheresoever residing (whether such income has or has not been derived from the property of such person), not being income derived from personal exertion.

“Principal Act” means Land and Income Tax Assessment Act of 1895.

Income derived from land.

4. (1) Paragraph four of section fifteen of the Principal Act is amended by omitting the words “except from land subject to land tax as hereinafter specifically excepted.” Taxation of income derived from land.

(2) Section seventeen of the same Act is amended by omitting paragraphs seven and eight.

(3) Paragraph one of section twenty-eight of the same Act is amended by inserting after the word “including” the words “commission, discount, travelling expenses.”

(4) Paragraph three of section twenty-eight of the same Act is amended by inserting after “occupied for the purpose of business” the words “or producing income in respect of which income tax may be levied”; and paragraph seven of the same section is amended by omitting the words “but shall not include ownership, use, or cultivation of land.”

(5) Section one of the Land and Income Tax (Declaratory) Act, 1898, is amended by omitting the words commencing “and in fixing such rules” to the end of the section.

(6) Section two of the Taxation Amending Act, 1905, and the whole of the Taxation Amending Act, 1906, are repealed.

Exemptions and reductions.

5. Section fifteen of the Principal Act is amended by omitting “exceeding two hundred pounds per annum” and inserting the words “of persons other than companies exceeding three hundred pounds per annum and all incomes of companies.” Incomes exempt from taxation.

6. Section sixteen of the same Act is amended as follows :—

(a) Omit “two hundred” insert “three hundred.”

(b) At end of section add the following :—

“There shall also be a reduction of fifty pounds for each child who is wholly maintained by him, and who, at the commencement of the year in respect of which the tax is levied, is under the age of eighteen years.

“Any

Reductions made in assessment of incomes.

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"Any such reduction shall in the first place be made from so much of the income as is derived from personal exertion.

"But where the income so derived is less than the amount of the reduction authorized, the reduction shall be so made to the extent of such income; and any part of the said amount not applied in such reduction shall be deducted from income derived from the produce of property.

"Where there is no income derived from personal exertion, the amount of the reduction authorized shall be deducted from income derived from the produce of property."

Consequential
amendments in
Taxation Amending
Acts.

7. Section three of the Taxation Amending Act, 1905, is amended as follows:—

- (a) Omit "the suspension aforesaid" where first occurring, insert "the suspension, in pursuance of sections one hundred and fifty and one hundred and fifty-one of the Local Government Act, 1906, of the operation in a shire or municipality of the enactments mentioned in Schedule Three to that Act."
- (b) Omit "under the Local Government (Shires) Act, 1905," insert "as owner under the Local Government Act, 1906."
- (c) Omit the last paragraph commencing with the words "In fixing" to the end of the section.

Rates of income tax.

Levy of income tax.

8. (1) There shall be annually levied and paid under the provisions of the Principal Act and the Acts amending the same, and in the manner therein prescribed, income tax at the respective rates in this Act provided.

Repeal.

(2) The Income Tax Act of 1895, and the Income Tax Deduction Act, 1907, are repealed.

Tax payable by a
company.

9. The income tax payable by any company shall be one shilling and twopence in the pound on the amount of the income chargeable of such company.

Tax payable by
other persons.

10. (1) The income tax payable by any person other than a company shall be as follows:—

- (a) Where the income chargeable does not exceed seven hundred pounds, the tax shall be sixpence in the pound on the amount of such income, with the addition of one-third where such person is an absentee and an addition or further addition in any case of one-third of sixpence, on such of the income as is derived from the produce of property.
- (b) When the income chargeable exceeds seven hundred pounds, the tax shall be according to the scale set out in the Schedule to this Act.

(2) In computing the amount of income tax payable in accordance with the said Schedule, income derived from personal exertion shall first be taken into account.

Assessments.

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Assessments.

11. (1) Paragraph six of section twenty-seven of the Principal Act is amended by omitting "taxable income arising or accruing to any person from all sources" and inserting the words "income arising, accruing, or derived from any of the sources mentioned in section fifteen." Amendment of s. 27 of Principal Act.

(2) Subsection two of section three of the Land and Income Tax (Amendment) Act, 1904, is amended by omitting "taxable income from all sources" where first occurring in that subsection, and inserting the words "income arising, accruing, or derived from any of the sources mentioned in section fifteen of the Principal Act." Taxable amounts how ascertained.

(3) The above amendments shall only apply to the income tax for the year one thousand nine hundred and twelve and subsequent years.

12. Paragraph four of section twenty-nine of the Principal Act is repealed and the following is inserted in its place:— Deductions not allowed.

(iv) Rates and taxes other than those imposed by Acts of the Parliament of New South Wales, or by any authority constituted by or under any such Act.

13. Subsection three of section thirty-one of the Principal Act is amended by inserting after "prescribed" and before the proviso the words "Such books shall be prepared for each year, commencing with the year one thousand nine hundred and twelve, and each such book shall remain in force until the whole of the income tax payable for the year to which it relates has been paid. Such books or copies thereof shall be deposited and shall remain in the office of the Commissioners." Amendment of s. 31 of Principal Act.

14. Paragraph two of section thirty-two of the Principal Act is amended by inserting after "alter" the word "increase." Amendment of s. 32 of Principal Act.

15. The Commissioners may, in their discretion from time to time, exercise in the assessment of income tax any of the powers conferred on them by sections thirty-two and thirty-nine of the Principal Act in respect of any taxpayer without requiring such taxpayer to make any further or fuller return. Default assessments.

Collection of tax.

16. (1) The Commissioners shall give notice to every taxpayer of any entry in the assessment book relating to the assessment of his income, and every taxpayer so notified shall be entitled to a copy of such entry certified by or on behalf of the Commissioners. Notification of tax

Such notice shall fix a day upon which any tax upon the income in respect of which the notice is given shall be due and payable, and such tax shall thereupon become due and payable upon the day so fixed.

(2)

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(2) Section forty-one of the Principal Act and so much of sections forty-two and forty-seven of the same Act, and of section six of the Land and Income Tax (Amendment) Act, 1897, as relates to income tax are repealed.

Amendment of
ss. 48 and 50 of
Principal Act.

17. Sections forty-eight and fifty of the Principal Act are respectively amended by omitting "sixty" and inserting "twenty-one."

SCHEDULE.

Amount of income chargeable.	Amount of tax per pound of income.
So much of the income as does not exceed seven hundred pounds.	Sixpence, with the addition of one-third where the person liable to taxation is an absentee, and an addition or further addition in any case of one-third of sixpence, on such of the income as is derived from the produce of property.
So much of the income as exceeds seven hundred and does not exceed one thousand seven hundred pounds.	Sevenpence, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of sevenpence, on such of the income as is derived from the produce of property.
So much of the income as exceeds one thousand seven hundred and does not exceed two thousand seven hundred pounds.	Eightpence, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of eightpence, on such of the income as is derived from the produce of property.
So much of the income as exceeds two thousand seven hundred and does not exceed four thousand seven hundred pounds.	Ninepence, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of ninepence, on such of the income as is derived from the produce of property.
So much of the income as exceeds four thousand seven hundred and does not exceed six thousand seven hundred pounds.	Tenpence, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of tenpence, on such of the income as is derived from the produce of property.
So much of the income as exceeds six thousand seven hundred and does not exceed nine thousand seven hundred pounds.	Elevenpence, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of elevenpence, on such of the income as is derived from the produce of property.
So much of the income as exceeds nine thousand seven hundred pounds.	One shilling, with the addition of one-third where the said person is an absentee, and an addition or further addition in any case of one-third of one shilling, on such of the income as is derived from the produce of property.