



ANNO VICESIMO PRIMO

GEORGII V REGIS.

A.D. 1930.

No. 1960.

An Act to amend the Taxation Acts, 1927 to 1929, and for other purposes.

[Assented to, November 6th, 1930.]

BE it Enacted by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

1. (1) This Act may be cited as the "Taxation Act, 1930". Short titles.

(2) The Taxation Acts, 1927 to 1929, and this Act may be cited together as the "Taxation Acts, 1927 to 1930".

(3) The Taxation Act, 1927, is hereinafter called "the principal Act".

2. This Act is incorporated with the other Acts mentioned in section 1 of this Act and those Acts and this Act shall be read as one Act. Incorporation.

3. Section 4 of the principal Act is amended—

(a) by inserting at the end of the definition of "company" therein the words "and co-operative company"; and

Amendment of principal Act, s. 4—
Definition of "co-operative company."

(b) by inserting therein after the definition of "contributor" the following definition:—

"Co-operative company" means a company, society, or association, the rules of which limit the number of shares therein which may be held by or by and on behalf of any one member and prohibit the quotation of the shares for sale or purchase on any stock exchange or in any other public manner whatever, and which

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is established for the purpose of carrying on any trade having as its primary object or objects one or any of the following—

- (a) the acquisition of commodities or animals in the ordinary course of trade for disposal or distribution among its members :
- (b) the acquisition of commodities or animals from its members for disposal or distribution in the ordinary course of trade :
- (c) the storage, marketing, packing, or processing of commodities of its members.

Amendment of principal Act, s. 4—
Definition of “returns.”

4. Section 4 of the principal Act is further amended by striking out in the definition of “returns” the word “prescribed” and inserting in lieu thereof the words “required under this Act”.

Amendment of principal Act, s. 6 (2)—
Time for calculation of income tax.

5. Subsection (2) of section 6 of the principal Act is amended—

- (a) by inserting after the word “year” the words “or as at twelve o'clock noon on some other day approved by the Commissioner on the application of any particular taxpayer”; and
- (b) by inserting at the end thereof the following:—

“When a taxpayer has obtained the approval of the Commissioner to a day for calculation other than the first day of July he shall not, without the consent of the Commissioner, be entitled to adopt any other day”.

Amendment of principal Act, s. 11—
Increase of rate of land tax.

6. Section 11 of the principal Act is amended by striking out the words “Three Farthings” occurring in the second and fourth lines thereof and inserting in lieu of those words in each case the words “One Penny”.

Amendment of principal Act, s. 18—
Taxation of income of co-operative company.

7. Section 18 of the principal Act is amended by inserting at the end of subdivision II. of subsection (1) thereof the following:—

Provided that the income of a co-operative company shall not be exempt from taxation under this Act.

Re-enactment of s. 20 of principal Act.

8. Section 20 of the principal Act is repealed and the following section is hereby enacted and substituted in lieu thereof:—

Rates of income tax.

20. (1) Where the whole taxable amount of income of a taxpayer is income derived from personal exertion the income tax on income derived from personal exertion shall, except where this Act otherwise provides, be at the following rates:—

- (a) for so much of the whole taxable amount of income derived from personal exertion as does not exceed Seven Thousand Pounds the rate of tax per Pound Sterling shall be Thirteen Pence and Six One-thousandths of a Penny where the taxable income

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is One Pound Sterling and shall increase uniformly with each increase of One Pound Sterling of the taxable income by Six One-thousandths of a Penny :

- (b) for every Pound Sterling of the taxable amount of income derived from personal exertion in excess of Seven Thousand Pounds the rate of tax shall be Fifty-five Pence.

(2) Where the whole taxable amount of income of a taxpayer is income consisting of the produce of property the income tax on income consisting of the produce of property shall, except where this Act otherwise provides, be at the following rates :—

- (a) for so much of the whole taxable amount of income consisting of the produce of property as does not exceed Seven Thousand Pounds the rate of tax per Pound Sterling shall be Twenty Pence and Six One-thousandths of a Penny where the taxable income is One Pound Sterling, and shall increase uniformly with each increase of One Pound Sterling of the taxable amount of income by Six One-thousandths of a Penny :

- (b) for every Pound Sterling of the taxable amount of income consisting of the produce of property in excess of Seven Thousand Pounds the rate of tax shall be Sixty-two Pence.

(3) Where the taxable amount of income of a taxpayer is derived partly from personal exertion, and consists partly of income the produce of property the income tax shall be at the following rates :—

- (a) on that part of the taxable amount of income which is derived from personal exertion income tax shall be payable at the rate which would have been applicable in respect of the whole of the taxable amount of income of the taxpayer if the whole of that income had been derived from personal exertion :
- (b) on that part of the taxable amount of the income of the taxpayer which consists of the produce of property income tax shall be payable at the rate which would have been applicable in respect of the whole of the taxable amount of the income of the taxpayer if the whole of that income had been income consisting of the produce of property.

(4) Income tax on income derived by a company shall be at the following rates :—

- (a) for so much of the whole taxable amount of income as does not exceed Five Thousand Pounds the rate of tax per Pound Sterling shall be Eleven Pence and One Two-hundredth of a Penny where the taxable
income

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income is One Pound Sterling and shall increase uniformly with each increase of One Pound Sterling of the taxable income by One Two-Hundredth of a Penny :

- (b) for every Pound Sterling of the taxable amount of income of a company in excess of Five Thousand Pounds the rate of tax shall be Thirty-six Pence.

In addition to the income tax on income derived by a company there shall be payable a super tax equal to Twenty-five per centum of the total amount of such income tax, which super tax shall be added to and form part of the income tax.

(5) Notwithstanding anything contained in this Act any person who—

- (a) is not a returned soldier or a nurse who served overseas in connection with any military or naval force of Great Britain or the Dominions in the war referred to in this subsection :

(b) is resident in the State :

- (c) was on the last day of the period for which the income is calculated an unmarried person of the age of twenty-one years or upwards, a male divorced person who had not re-married and had no children, or a widower without children :

(d) has a taxable amount of income of at least One Pound, shall, in addition to any other tax, pay a tax at the following rates:—

Where the taxable amount of income does not exceed One Hundred Pounds One Pound

Where the taxable amount of income exceeds One Hundred Pounds but does not exceed Two Hundred Pounds Two Pounds

Where the taxable amount of income exceeds Two Hundred Pounds but does not exceed Three Hundred Pounds Three Pounds

And so on, the tax increasing by One Pound for every additional One Hundred Pounds or part thereof.

In this subsection “returned soldier” means a male person who enlisted for service outside Australia in the war in which His Majesty was engaged, and which commenced on the fourth day of August, nineteen hundred and fourteen, as a member of the Australian Imperial Forces, or the Royal Australian Navy, or His Majesty’s Army or Navy, or any naval or military force raised in any country forming part of His Majesty’s dominions, for service in the said war outside that country.

(6) Notwithstanding

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(6) Notwithstanding anything contained in this Act any person, other than a company or an absentee, who has a taxable amount of income of at least One Pound, shall pay a tax amounting to Two Pounds Ten Shillings in addition to any other tax payable by that person.

9. Part IV. of the principal Act is amended by inserting therein after section 20 the following section :—

New section 20a.

20a. An income tax at the rate of Six Pence in the Pound is hereby imposed on the income received by any person ordinarily resident in South Australia from dividends from any company whether registered in South Australia or not, and whether such income arises or accrues in or is derived from the State or not.

Tax on dividends.

10. Section 22 of the principal Act is amended by striking out subdivision III. thereof.

Amendment of principal Act, s. 22, III.—
Consequential amendment.

11. Subdivision IV. of section 22 of the principal Act is amended by striking out the word " accordingly " and inserting in lieu thereof the words " at the rates fixed by subsection (4) of section 20 ".

Amendment of principal Act, s. 22, IV.—
Consequential amendment.

12. Subdivision VIII. of section 22 of the principal Act is repealed.

Repeal of section 22, VIII.—
Abolition of tax on residence.

13. Subdivision IX. of section 22 of the principal Act is amended by inserting at the end thereof the following proviso :—

Amendment of principal Act, s. 22, IX.—

Provided that there shall be included in the income of the taxpayer any amount received by him from a co-operative company as a rebate based on the value of goods purchased by him for the purpose of any trade carried on by him, or on the cost of storing, marketing, packing, or processing any commodities on his behalf: Provided also that dividends shall be separately taxable as provided by section 20a of this Act.

Inclusion in income of certain rebates, and taxation of dividends.

14. Subdivision X. of section 22 of the principal Act is amended by inserting after the word " outgoings " in the third line thereof the words " or expenses ".

Amendment of principal Act, s. 22.

15. Subdivision XI. of section 22 of the principal Act is repealed and the following subdivision inserted in lieu thereof :—

Amendment of principal Act, s. 22, XI.—

XI. (a) If the account is the account of a taxpayer (other than a company or an absentee) in his sole individual right there shall be deducted when the assessment is in respect of income derived during a period of twelve months the sum of One Hundred Pounds less One Pound for every Nine Pounds by which the net income exceeds One Hundred Pounds: Provided that when the income is computed against a taxpayer (other

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(other than a company or an absentee) in respect of any period less than twelve months the deduction shall bear the same ratio to the full amount of the deduction allowable under this subdivision as the said period bears to twelve months.

(b) where the taxpayer is a widow with one or more children under the age of sixteen years wholly maintained by her the deduction allowed under this subdivision shall be Two Hundred Pounds.

Amendment of principal Act, s. 22, XII.—
Age of children for whom deduction allowed.

16. Subdivision XII. of section 22 of the principal Act is amended by striking out the word "fifteen" in the tenth line thereof and inserting in lieu thereof the word "sixteen".

Amendment of principal Act, s. 22—
Income from which deduction allowable.

17. Section 22 of the principal Act is amended by inserting therein after subdivision XIIIa. the following subdivision:—

XIIB. Where the income consists partly of income derived from personal exertion and partly of income consisting of the produce of property the deductions under subdivisions XI., XII., and XIIIa. of this section shall first be deducted from income derived from personal exertion and any balance then remaining shall be deducted from income consisting of the produce of property.

Repeal of s. 22, XIII., of principal Act—
Abolition of deduction for Federal income tax.

18. Subdivision XIII. of section 22 of the principal Act is repealed.

Amendment of principal Act, s. 22—
Provision as to bad debts.

19. Section 22 of the principal Act is further amended by inserting therein after subdivision XIV. the following:—

XIVA. In calculating the net amount of income there shall be deducted debts actually written off as bad debts during the period in which the income was derived to the extent that such debts are proved to the satisfaction of the Commissioner to be bad debts and are in respect of—

(1) amounts which have been brought into account as gross income by the taxpayer in his return for any year; or

(2) money lent in the ordinary course of the business of the lending of money by a person who carries on that business as his sole or principal business:

Provided that if the Commissioner is satisfied that a debtor has been adjudicated bankrupt, or has assigned his estate or executed a deed of arrangement for the benefit of his creditors he may allow a deduction of the sum representing the difference between the debt and the amount

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amount which may reasonably be expected to be received on such debt, notwithstanding that the debt may not have been written off as bad :

Provided further that all amounts recovered on account of any debts which have been allowed as deductions from income in arriving at the taxable amount for any assessment of income tax shall be included as income of the period in which the same were recovered.

Except as provided in this subdivision, no deduction for bad or doubtful debts shall be made.

- 20.** Section 22 of the principal Act is further amended by inserting therein after subdivision xiv. the following subdivision :— Amendment of principal Act, s. 22—
- xivb. In calculating the taxable income of a co-operative company there shall be included all sums received from members in payment for commodities, animals, or land supplied or sold to them, or for services rendered to them, or received in respect of commodities, animals, or land sold by the company whether on its own account or on account of its members ; but there shall be deducted in addition to any other allowable deductions so much of the income of the company as is distributed among its members as rebates or as interest on shares. Taxation of income of co-operative companies.
- 21.** Section 28 of the principal Act is amended by inserting therein after subdivision vi. the following subdivision :— Amendment of principal Act, s. 28—
- vi. Any periodical subscription by a party in respect of membership of an association, whether corporate or unincorporate, unless the carrying on of a trade or the exercise of a vocation or calling from which income not exempt from income tax is derived by the party is conditional upon such membership. Cases in which certain subscriptions may be deducted.
- 22.** Subdivision vii. of section 28 of the principal Act is repealed. Amendment of principal Act, s. 28—
Consequential amendment regarding bad debts.
- 23.** Section 29 of the principal Act is amended by striking out the word “ prescribed ” in the fourth line of paragraph ii. thereof. Amendment of principal Act, s. 29.
- 24.** The principal Act is amended by inserting therein after section 30 the following section :— New section 30a—
- 30a. (1) Notwithstanding any other provision of this Act, when any business which is carried on in the State (other than a business to which sections 30 and 36 apply)— Taxation of income from business controlled outside the State.
- (a) is controlled principally by persons not resident in the State or a foreign company ; or
- (b) is carried on by a company, a majority in value of the ordinary shares in which are held by or on behalf of—
- (i.) a foreign company ; or (ii.) another

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- (ii.) another company which carries on business outside the State ; or
 - (iii.) persons who hold a majority in value of the ordinary shares in a company such as is referred to in subparagraphs I. and II. ; or
- (c) is carried on by a company registered in the State which holds, or on behalf of which other persons hold, a majority in value of the ordinary shares in a foreign company or a company carrying on business outside the State,

and it appears to the Commissioner that on account of these or any other circumstances the course of business is so arranged that the business produces no taxable income, or less than the ordinary taxable income which might be expected to arise from the business, the person or company carrying on the business in the State shall be assessable and chargeable with income tax on such percentage of the gross sales (whether cash or credit) of the business as the Commissioner in his judgment thinks proper. If in his opinion, upon information subsequently obtained, the circumstances so warrant, the Commissioner may vary such percentage either by way of increase or reduction, and the assessment shall be altered accordingly.

(2) For the purposes of this section, shares held by or in the names of persons who are relatives by blood, marriage, or adoption may be treated by the Commissioner as if they were held by one of such persons.

Re-enactment of section 31a of the principal Act—

Taxation of partnerships.

25. Section 31a of the principal Act (as enacted by section 16 of the Taxation Act Amendment Act, 1927) is repealed, and the following section inserted in lieu thereof:—

31a. If in the opinion of the Commissioner any partnership between husband and wife with or without other persons or between relatives by blood, marriage, or adoption, with or without other persons, was formed for the purpose of relieving any member thereof from any liability to which he would have been subject under this Act if the partnership had not been formed, or if any trust under which relatives by blood, marriage or adoption of the creator of the trust are entitled to any income or income producing assets, was in the opinion of the Commissioner formed to relieve any person from any such liability as aforesaid, the Commissioner may assess the income derived by the partnership or under the trust as if the income were the income of the person or persons, the relief of whom from liability under this Act was in the opinion of the Commissioner the purpose of the formation of the partnership or creation of the trust, and such person or persons shall be a taxpayer or taxpayers within the meaning of section 40 of this Act and shall be chargeable with income tax accordingly :

Provided

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Provided that in ascertaining the taxable amount of income there may be deducted such amounts as the Commissioner considers reasonable, and as are actually paid to any person or persons other than the person or persons assessed pursuant to this section.

26. The principal Act is amended by inserting therein after section 31a the following section:— New section 31b—

31b. Notwithstanding anything contained elsewhere in this Act any income which by virtue or in consequence of any disposition made, directly or indirectly, by any party, either before or after the commencement of this Act, is payable to or applicable for the benefit of a child of that party, shall, so long as the child is a minor and unmarried, be deemed for the purposes of this Act, to be the income of the party, if living, by whom the disposition was made : Taxation of income in certain cases where property is disposed of.

Provided that any income tax which by virtue of this section is chargeable on or is paid by the party by whom the disposition was made, may be recovered by that party from any trustee or other person to whom the income is payable by virtue or in consequence of the disposition.

For the purpose of this section—

- (1) the expression “ child ” includes a step-child or adopted child ; and
- (2) the expression “ disposition ” includes any settlement, trust, covenant, agreement, or arrangement.

27. Section 33 of the principal Act is amended by striking out the word “ person ” in the eighth line thereof and inserting in lieu thereof the word “ party ”. Amendment of principal Act, s. 33.

28. (1) Subsection (2) of section 34 of the principal Act (as enacted by section 7 of the Taxation Act, 1929), is amended by striking out the word “ prescribed ” in the second line thereof and inserting in lieu thereof the words “ as are required by the Commissioner ”. Amendment of principal Act, s. 34.

(2) Subsection 8 of section 34 of the principal Act is amended by inserting at the end thereof the following:—

(9) In this section—

“ agent ” includes a sub-agent :

“ principal ” includes an agent resident out of the State represented by an agent in the State.

29. Section 34A of the principal Act (as enacted by section 7 of the Taxation Act, 1929) is amended by striking out the word “ prescribed ” in the second line of subsection (2) thereof and inserting in lieu thereof the words “ required by the Commissioner. ” Amendment of principal Act, s. 34A.

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New section 35a—

30. The principal Act is amended by inserting therein after section 35 the following section :—

Mode of
determining income
accruing in the
State in certain
cases.

35a. (1) In determining what part of the income arising from any of the operations or transactions to which the following rules are applicable, shall be deemed to arise in the State the Commissioner may, notwithstanding any other provision of this Act, apply the said rules, and the part of the income determined in accordance with the said rules shall, notwithstanding any other provision of this Act, be the taxable amount :—

- I. if any goods are manufactured by a party outside the State and sold and delivered by or on behalf of the party within the State, one-third of the income arising from the sale and manufacture of those goods shall be deemed to arise within the State :
- II. if any goods are manufactured by a party within the State, and are sold and delivered by or on behalf of the party outside the State, two-thirds of the income arising from the manufacture and sale of those goods shall be deemed to arise within the State :
- III. if any goods are bought by or on behalf of a party outside the State, and sold by or on behalf of the party within the State and delivered to the purchaser within the State from outside the State, one-half of the income arising from the purchase and sale of those goods shall be deemed to arise within the State :
- IV. if any goods are bought by or on behalf of a party within the State, and sold by or on behalf of the party outside the State and delivered to the purchaser outside the State from within the State, one-half of the income arising from the purchase and sale of those goods shall be deemed to arise within the State.

(2) In any circumstances (other than those mentioned in subsection (1)), in which income arises partly within the State and partly outside the State, the Governor may, by regulation, prescribe rules for determining what part of that income shall be deemed to arise in the State, and may declare that the part of the income so determined shall, notwithstanding any other provision of this Act, be the taxable amount.

Amendment of
principal Act,
s. 42—
Taxation of income
of deceased persons.

31. (1) Subsection (1) of section 42 of the principal Act is amended by adding at the end thereof the words “ and also in respect of the income of any period not earlier than five years before the death of the taxpayer in respect of which the deceased person was a taxpayer and failed to furnish a return ”.

(2) Subsection (5) of the said section 42 is amended by inserting at the end thereof the words “ and in respect of the income of any other

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other period the tax shall be payable at the rates which would have been applicable had the deceased person furnished the return and paid the tax at the proper time”.

32. Section 62 of the principal Act is amended by striking out the words “ as prescribed ” in the third line thereof. Amendment of principal Act, s. 62.

33. Section 63 of the principal Act is amended so as to read as follows :— Amendment of principal Act, s. 63—

63. (1) Every taxpayer shall, when required by a general notice in the *Gazette*, within the time stated in the notice or such extension thereof as the Commissioner allows, furnish the Commissioner with a return setting forth a full and complete statement of the income derived by him during the period mentioned in the notice. Returns.

Where forms of return applicable in any particular case are supplied by the Commissioner to the public, the return shall be in the form so supplied, and shall contain all the particulars indicated in the form which are applicable in the particular case.

(2) Every return shall be verified by a declaration by the taxpayer as to the correctness of all particulars contained therein.

(3) In addition to the return specified in the preceding subsections of this section, every taxpayer shall as and when required by the Commissioner by general or special notice make any further or other return which the Commissioner requires for the purposes of this Act.

34. Section 105a of the principal Act (as enacted by section 23 of the Taxation Amendment Act, 1927) is amended by striking out the proviso to subsection (1) thereof. Amendment of principal Act, s. 105a—
Collection of tax from person owing money to taxpayer.

35. Section 116 is amended by striking out paragraph (a) thereof, and inserting in lieu thereof the following :— Amendment of principal Act, s. 116—
Returns when taxpayer about to depart.

(a) by particular notice require that taxpayer to furnish a return of the income derived, or which it is estimated will be derived, during the period of twelve months commencing on the last preceding first day of July, or, as the case may be, the last preceding day (other than the first day of July) as at which the income of the taxpayer was computed, and also for the preceding period of twelve months, if a return for that period has not already been furnished by the taxpayer.

36. (1) In addition to the taxes on land at the rates otherwise fixed by law there shall be payable a super tax equal to twenty-five per centum of the total amount of all such taxes on land, which super tax shall be deemed to be land tax under the principal Act. Super tax on land.

(2) The

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(2) The super tax imposed by this section shall be collected only in respect of the taxes on land payable in aid of the General Revenue of the State for the financial year ending on the thirtieth day of June, nineteen hundred and thirty-one.

Application of
super tax to rates
in force.

37. For the purposes of the principal Act the term “ rates in force ”, wherever appearing, shall mean the rates as increased by any super tax in force at the material time.

Commencement of
Act.

38. This Act shall be deemed to have commenced on the first day of July, nineteen hundred and thirty, and shall apply in respect of the tax payable on income accrued during the period of twelve months immediately preceding the said first day of July, or any other day which is substituted for that day, pursuant to section 6 of the principal Act, and in respect of tax upon income accruing thereafter: Provided that the rates of land tax as fixed by section 6 and of income tax as fixed by sections 8 and 9, and the provision of section 18 of this Act shall apply only to taxes payable in aid of the General Revenue of the State for the financial year ending on the thirtieth day of June, nineteen hundred and thirty-one; and thereafter until Parliament otherwise provides the rates of tax shall be those in force immediately prior to the commencement of this Act.

In the name and on behalf of His Majesty, I hereby assent to
this Bill.

G. J. R. MURRAY, Deputy Governor.