



ANNO VICESIMO SECUNDO

# GEORGII V REGIS.

A.D. 1931.

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## No. 2007.

An Act to amend the Taxation Acts, 1927 to 1930,  
and for other purposes.

[*Assented to, August 20th, 1931.*]

**B**E 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, 1931". Short titles.  
  
(2) The Taxation Acts, 1927 to 1930, and this Act may be cited  
together as the "Taxation Acts, 1927 to 1931".  
  
(3) The Taxation Act, 1927, is hereinafter called "the principal  
Act".
2. This Act is incorporated with the other Acts mentioned in Incorporation.  
section 1 of this Act, and those Acts and this Act shall be read as  
one Act.
3. Section 4 of the principal Act is amended by inserting after the Amendment of  
principal Act, s. 4—  
definition of "Additional land tax" the following definition:—  
  
"Building society" means any society the object or some of Definition of  
building society,  
the objects of which are to raise a fund by subscriptions,  
contributions

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contributions from its members, and to apply that fund in assisting its members to obtain freehold or leasehold property, or in the making of loans or advances to its members or others, upon the security of freehold or leasehold property.

Amendment of  
principal Act, s. 18.

**4.** Section 18 of the principal Act is amended—

(a) by inserting after the word “State” in the second line the words “and on the income received by any person ordinarily resident in the State from dividends from any company, whether registered in the State or not, and whether such income arises or accrues in or is derived from the State or not”:

(b) by inserting after the word “company” in the proviso to subdivision II. of subsection (1) thereof (which proviso was inserted by section 7 of the Taxation Act, 1930) the words “or a building society”.

Re-enactment of  
principal Act, s. 20—

**5.** Section 20 of the principal Act is repealed and the following section is hereby enacted and substituted in lieu thereof:—

Rates of 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, and, in particular, except as provided by subsection (6) hereof, be at the following rates:—

(a) where the taxable amount of income derived from personal exertion does not exceed One Thousand Pounds the rate of tax per Pound sterling of the whole taxable amount of income shall be Eighteen Pence and Two 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 income by Two One-thousandths of a penny:

(b) where the taxable amount of income derived from personal exertion exceeds One Thousand Pounds but does not exceed Seven Thousand Pounds, the rate of tax per Pound sterling of the whole taxable amount of income shall be Twenty Pence and Six One-thousandths of a Penny where the taxable income is One Thousand and One Pounds sterling, and shall increase uniformly with each increase of One Pound sterling in excess of One Thousand Pounds of the taxable income by Six One-thousandths of a Penny:

(c) where

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(c) where the taxable amount of income derived from personal exertion exceeds Seven Thousand Pounds the rate of tax shall be Fifty-six Pence per Pound sterling of the whole taxable amount of income.

(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, and, in particular, except as provided by subsection (6) hereof, be at the following rates :—

(a) where the taxable amount of income consisting of the produce of property does not exceed One Thousand Pounds the rate of tax shall be Twenty-seven Pence per Pound sterling of the whole taxable amount of income :

(b) where the taxable amount of income consisting of the produce of property exceeds One Thousand Pounds but does not exceed Seven Thousand Pounds, the rate of tax per Pound sterling of the whole taxable amount of income shall be Twenty-seven Pence and Six One-thousandths of a Penny where the taxable income is One Thousand and One Pounds sterling, and shall increase uniformly with each increase of One Pound sterling in excess of One Thousand Pounds of the taxable income by Six One-thousandths of a Penny :

(c) where the taxable amount of income consisting of the produce of property exceeds Seven Thousand Pounds the rate of tax shall be Sixty-three Pence per Pound sterling of the whole taxable amount of income.

(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

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(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 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) Where the taxpayer is a trustee the rate of tax shall be that which would be applicable if the income were directly received by the party beneficially entitled thereto, and if there is no party presently entitled thereto the rate shall be that which would be applicable if the income were that of a taxpayer taxable at the rates mentioned in subsections (1), (2), and (3) of this section in his sole individual right.

(6) 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; and

(b) is resident in the State; and

(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,

shall pay income tax on income not at the rates provided by subsections (1) and (2) hereof but at the following rates :—

(a) Where the whole taxable amount of income of a taxpayer is income derived from personal exertion—

(i.) where the taxable amount of income derived from personal exertion does not exceed One Thousand Pounds the rate of tax per Pound sterling of the whole taxable amount of income shall be Twenty-seven Pence :

(ii.) where

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- (ii.) where the taxable amount of income derived from personal exertion exceeds One Thousand Pounds but does not exceed Seven Thousand Pounds the rate of tax per Pound sterling of the whole taxable amount of income shall be Twenty-seven Pence and Six One-thousandths of a Penny where the taxable income is One Thousand and One Pounds sterling, and shall increase uniformly with each increase of One Pound sterling in excess of One Thousand Pounds of the taxable income by Six One-thousandths of a Penny :
- (iii.) where the taxable amount of income derived from personal exertion exceeds Seven Thousand Pounds the rate of tax shall be Sixty-three Pence per Pound sterling of the whole taxable amount of income.
- (b) Where the whole taxable amount of income of a taxpayer is income consisting of the produce of property :—
- (i.) where the taxable amount of income consisting of the produce of property does not exceed One Thousand Pounds the rate of tax per Pound sterling of the whole taxable amount of income shall be Thirty-two Pence :
- (ii.) where the taxable amount of income consisting of the produce of property exceeds One Thousand Pounds but does not exceed Seven Thousand Pounds the rate of tax per Pound sterling of the whole taxable amount of income shall be Thirty-two Pence and Six One-Thousandths of a Penny where the taxable income is One Thousand and One Pounds sterling, and shall increase uniformly with each increase of One Pound sterling in excess of One Thousand Pounds of the taxable income by Six One-Thousandths of a Penny :
- (iii.) where the taxable amount of income consisting of the produce of property exceeds Seven Thousand Pounds the rate of tax shall be Sixty-eight Pence per Pound sterling of the whole taxable amount of income.
- (c) 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 provisions of subsection (3) of this section *mutatis mutandis* shall apply. In

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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 the country.

(7) Where the whole or part of the taxable amount of income of a taxpayer is income from dividends the rate of tax on each Pound sterling of such income from dividends shall be Six Pence.

(8) Where the taxpayer has income from dividends and other income, the income from dividends shall not be included in the taxable amount of income for the purpose of determining the rate at which tax is payable on such other income under subsections (1) to (6) inclusive of this section.

(9) Notwithstanding anything contained in this Act if the income tax payable pursuant to this section by any taxpayer would, apart from this subsection, be less than One Pound, then the amount of One Pound shall nevertheless be payable.

Amendment of  
principal Act, s. 22.

6. Section 22 of the principal Act is amended:—

(a) by repealing subdivision ix. thereof and inserting in lieu thereof the following subdivision:—

ix. Any amount received by a taxpayer 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 shall be included in income derived from personal exertion.

(b) by repealing subdivision xiii. thereof:

(c) by inserting after subdivision xiib. the following subdivision:—

xiiic. If the net income before making the deduction provided for by subdivision xi. of this section does not exceed Six Hundred and Fifty Pounds and the account is the account of a taxpayer, in his sole individual right, there shall be allowed in computing the taxable income of a widower having one or more children wholly maintained by him and under sixteen years of age at the commencement of the period for which the income is calculated, the same deduction as if the widower also had a wife living. The provisions of subdivision xiib. shall apply to the above-mentioned deduction.

(d) by

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(d) by inserting after subdivision xivb. the following subdivision :—

xivc. In calculating the taxable income of a building society there shall be included all sums (other than subscriptions, repayments, and deposits) received by the society, whether from members or non-members, but there shall be deducted in addition to any other allowable deductions so much of the income of the society as is distributed among its members as interest or dividends on shares. The term "subscription" does not include any part of a subscription which represents interest.

7. Section 22 of the principal Act is amended by inserting therein after subdivision vi. the following subdivision :— Amendment of s. 22 of principal Act—

via. All amounts payable by the taxpayer under any law of the Commonwealth as sales tax in respect of goods sold during the year for which the income is calculated shall be deducted in computing the taxable amount of income : Deduction for sales tax.

8. Subdivision xi. of section 22 of the principal Act (as enacted by section 15 of the Taxation Act, 1930) is amended by adding at the end thereof the following paragraph :— Amendment of s. 22, xi., of principal Act—

(c) Where the taxpayer is a trustee (whether a company or a natural person) the deduction allowed under this subdivision shall be that which would be applicable if the income were directly received by the party beneficially entitled thereto, and if there is no party presently entitled thereto the deduction shall be that allowed under paragraph (a) of this subdivision. Deduction where a taxpayer is a trustee.

9. Part V. of the principal Act is amended by inserting therein after section 22 the following section :— New section 22a—

22A. Notwithstanding any other provision of this Act, where the Commissioner is satisfied that a taxpayer has foregone some part of his remuneration, or returned some part thereof to his employer, the sum so foregone or returned shall not be taken into account for the purpose of calculating the taxable amount of income of the taxpayer. This provision applies to persons whose remuneration is paid out of the General Revenue of the State, as if the Treasurer of the State were the employer. Computation of income from salaries where part foregone.

10. Section 27 of the principal Act is amended so as to read as follows :— Re-enactment of s. 27 of principal Act—

27. If a taxpayer derives income (whether income from personal exertion or income the produce of property) from more than one source, and the deductions allowable under this Act Deduction of losses.  
against

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against income from any source are more than the amount of that income, the balance of those deductions shall be deducted from any other income of the taxpayer derived from personal exertion, and if that other income is less than the said balance, the remainder shall be deducted from any income the produce of property of the taxpayer.

In this section only the term “income the produce of property” shall include income from dividends.

Amendment of  
principal Act, s. 32—  
Rate of tax on  
certain debentures.

**11.** (1) Section 32 of the principal Act is amended by striking out the words “One Shilling” in the second line and inserting in lieu thereof the words “Two Shillings”.

(2) The alteration in rate of tax made by this section shall apply only to tax on interest paid or credited after the commencement of this Act.

Insertion of new  
Part IXA.—

**12.** The principal Act is amended by inserting therein the following new Part :—

**PART IXA.**

*Payment of Income Tax by Instalments.*

Interpretation and  
comment.

107A. (1) In this Part, unless the context otherwise requires :—

“Employee” means any person who receives, or is entitled to receive, any salary or wages :

“Employer” means every party who pays, or is liable to pay, any salary or wages :

“Salary or wages” means the gross amount of salary or wages by whomsoever paid, and of all bonuses, monetary allowances (including allowances to Members of Parliament), and other payments in the nature of salary or wages. The term includes salary or wages as above defined paid out of the General Revenue of the State, but, except for the purposes of section 107H, not salary or wages paid by or on behalf of the Commonwealth.

“Tax payable by an (or the) employee” means any income tax due or becoming due by an employee on income derived during any financial year preceding the year in which a deduction is made :

(2) The Commissioner may by general notice fix a day as “the appointed day” for the purpose of the next succeeding section, and the day so fixed shall be the appointed day for the purpose of the said section.

Duty of employer to  
make deductions  
from wages.

107B. (1) Where an employee works for the same employer on two or more days in any week, and, after the appointed day



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day receives from the employer salary or wages for that work amounting in all to One Pound or more the employer shall deduct from such salary or wages the following amounts—

- (a) if the employer has not received from the Commissioner of Taxes a written notice under subsection (3) of this section requiring him to deduct any other amount, the sum of One Shilling for every Pound paid to the employee and One Shilling for every fractional part of a Pound so paid exceeding Ten Shillings:
- (b) in any other case the amount notified to the employer by the Commissioner.

Where wages or salary for any week's work are paid in two or more separate sums all sums so paid shall for the purpose of computing the amount of deduction under this section be treated as one sum, and the deduction may be made at the option of the employer either wholly from any one of the sums or in part from each of two or more of such sums.

Where an employee receives in addition to such salary or wages as aforesaid board and lodging from his employer as part consideration for his services, the employee shall, for the purpose of computing the deduction under this section, be deemed to have received as salary or wages, in addition to any money actually paid, the sum fixed by regulation for each week during which board and lodging is received.

(2) If any employer fails to make any deduction required by this section to be made he shall be liable to pay to the Commissioner any amounts omitted to be deducted, not exceeding the amount of the tax payable by the employee from whose salary or wages the deduction should have been made, and the Commissioner may recover those amounts from the employer by action in any Court of competent jurisdiction. If the Commissioner recovers any such amount he shall retain the same as payment of any income tax due by the employee. The employer may recover from the employee any amount which he has paid to the Commissioner under this subsection.

(3) If the Commissioner is of opinion that the deduction at the rate mentioned in subsection (1) from the wages or salary of any employee is insufficient to pay any tax payable by that employee he may, with the consent of the employee and the employer, notify the employer, in writing, that a larger amount shall be deducted from the salary or wages of the employee.

107c. (1) At the time of paying to any employee any salary or wages from which a deduction under this Part is made, the employer shall deliver to the employee adhesive Tax Stamps denoting the amount deducted.

Duty of employer to issue stamps.

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(2) Forthwith after receiving from his employer any stamps in accordance with this Part every employee shall securely affix them to a clear space on a page of a book kept by him under section 107D.

(3) Any person guilty of any failure to observe any provision of this section shall be guilty of an offence punishable summarily and liable to a penalty not exceeding Twenty Pounds.

Duty of employee to keep stamp book.

107D. Every employee from whose salary or wages a deduction under this Part is required to be made shall keep a book of convenient size and shape for the purpose of having the stamps issued to him by his employer under this Part affixed therein.

Application of moneys deducted.

107E. (1) Any employee from whose salary or wages deductions have been made under this Part may, subject to the regulations, at any time produce to the Commissioner the book containing the stamps issued to him under this Part.

(2) The Commissioner shall thereupon cancel the said stamps, and the amount thereof shall be deemed to have been paid by the employee in satisfaction of any tax payable by him.

(3) If, however, there is no tax payable by the employee, or if the value of the stamps produced by the employee exceeds the amount of tax payable by him, the Commissioner shall, without any further or other authority than this Act, refund to the employee the value of the stamps or, as the case may be, the amount by which the value of the stamps exceeds the amount of tax.

Special arrangements.

107F. (1) If arrangements satisfactory to the Commissioner are made with any employer and his employees whereby the employees (whether State Government employees or not) make periodical contributions or suffer periodical deductions from salary or wages for the purpose of paying tax due by those employees, the Commissioner may in writing notify the employer of those employees that deductions from the wages or salary of those employees need not be made during the period mentioned in the notice, and thereafter the employer of any such employees shall not make any deductions under this Part from the salaries or wages of those employees during the said period.

(2) The Commissioner may cancel a notice under this section at any time and thereafter the duties of the employer and employee under this Part shall be the same as if the notice had not been given.

Application of Part to State Government employees.

107G. Except where arrangements are made under the last preceding section this Part shall apply to any employees of the State,

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State, and the Permanent Head of the Department in which any such employee works shall be deemed to be his employer within the meaning of this Part. If any person receives salary or wages out of the General Revenue of the State, but is not employed in any Department, the Treasurer shall be deemed to be the employer.

107H. This Part shall not be binding on the Commonwealth nor any employee thereof unless the Governor-General of the Commonwealth consents to the Commonwealth's being bound. If he so consents this Part shall be binding on the Commonwealth to the extent to which the Governor-General agrees to be bound, and on employees of the Commonwealth to the extent necessary to give effect to the agreement.

Application of this Part to Commonwealth.

107I. (1) The Commissioner may issue to any employee a certificate that no deductions from his wages or salary need be made during any period specified in the certificate. During the said period no employer to whom the said certificate is exhibited shall make any deductions under this Part from the wages or salary of that employee.

Certificate of payment.

(2) Upon the payment in full of all tax payable by an employee the Commissioner shall on application issue a certificate as aforesaid.

(3) If any person—

- (a) alters any certificate issued as aforesaid or exhibits to any employer any certificate so altered; or
- (b) without lawful excuse has in his possession any colorable imitation of a certificate issued as aforesaid; or
- (c) falsely pretends to be the person named in any certificate or causes any employer to refrain from making deductions from his salary or wages by the production of any document other than a certificate issued to himself and for the time being in force,

he shall be guilty of an offence, punishable summarily, and liable to a penalty not exceeding Fifty Pounds.

107J. If the deductions made under this Part from the wages or salary of any employee up to the last day in May in any financial year are insufficient to pay the tax payable by that employee the balance of the said tax shall be due and payable fourteen days thereafter and if not then paid shall be subject to interest as provided by subsection (2) of section 9 of this Act.

Payment of tax where deduction insufficient.

107K. (1) Any taxpayer not being an employee may at any time before the thirtieth day of November in any year, make arrangements with the Commissioner for the payment by instalments of income tax due or becoming due in respect of income of the preceding financial year by the taxpayer.

Payment of other income tax by instalments.

(2) Notwithstanding

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(2) Notwithstanding section 6 or any other provision of this Act, in any case where arrangements are made as aforesaid and the taxpayer duly makes the payments of instalments thereunder, the income tax payable by the taxpayer shall be paid in such instalments, and if any balance of the income tax payable by the taxpayer is unpaid on the fifteenth day of June next after the making of the arrangements, the said balance shall be payable on that date, and if not then paid shall be subject to interest as provided by subsection (2) of section 9 of this Act.

Liability where  
employer is an  
association or firm.

107L. (1) Where an employee is employed by any unincorporated association of persons (other than a firm) the manager or other principal official of the association shall be deemed to be the employer within the meaning of this Part.

(2) Where an employee is employed by a firm each partner shall be deemed to be the employer within the meaning of this Part and any one of them may be proceeded against for any contravention of this Part in relation to the employee, but not more than one person shall be punished for the same contravention.

Issue of stamps.

107M. (1) The Commissioner shall prepare and place on sale sufficient stamps of suitable denominations for the purposes of this Part.

(2) Every such stamp shall bear the words "Tax Stamp" clearly printed thereon.

(3) Sections 108, 109, and 110 of the Stamp Duties Act, 1923, shall apply in relation to all stamps issued under this section.

Regulations.

107N. The provisions of section 112 of this Act as to regulations shall be deemed to confer upon the Governor power to make all such regulations as are necessary or convenient for carrying this Part into effect, and in particular any regulations (either in addition to or in substitution for or in modification of the provisions of this Part) for securing the payment of income tax due on any wages or salary by deductions made by the employer from such wages or salary or by instalments payable by the employee.

Super tax on land  
tax.

13. (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.

(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-two.

14. For

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**14.** For the purpose of the principal Act the term “rates in force,” wherever appearing, shall mean the rates as increased by any super tax and including any special tax in force at the material time.

Application of super tax to rates in force.

**15.** Section 4 (*a*) and section 10 of this Act shall be deemed to have commenced on the first day of July, nineteen hundred and thirty, and to have application in respect of income accrued during the period of twelve months preceding the said first day of July as well as in respect of income accruing thereafter.

Commencement of sections 4 (*a*) and 8.

**16.** Subject to section 11 and the last preceding section this Act shall be deemed to have commenced on the first day of July, nineteen hundred and thirty-one, and shall apply in respect of tax payable on income accrued during the period of twelve months 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 on income accrued thereafter: Provided that the rates of income tax as fixed by section 5 of this Act shall apply to taxes payable on income accrued during the period of twelve months hereinbefore mentioned, and thereafter the rates of tax shall be such as Parliament may provide: Provided also that the provision of paragraph (*b*) of section 6 of this Act shall apply only to income tax payable on income accrued during the said period.

Commencement of Act.

**17.** Section 38 of the Taxation Act, 1930, is amended by inserting after the word “thirty-one” in the eleventh line thereof the words “or to income tax payable at any time in respect of income accrued during the period of twelve months first above mentioned”.

Amendment of 1930, s. 38.

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

A. HORE-RUTHVEN, Governor.