

Act No. 7, 1907.

An Act to provide certain deductions in respect of income tax; to amend the Land and Income Tax Assessment Act of 1895, the Land and Income Tax (Declaratory) Act, 1898, and the Land and Income Tax (Amendment) Act, 1904; and for purposes consequent thereon or incidental thereto. [16th December, 1907.]

INCOME TAX
DEDUCTION.
—

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:—

1. This Act may be cited as the "Income Tax Deduction Act, 1907," and shall be construed with the Land and Income Tax Assessment Act of 1895, the Land and Income Tax (Declaratory) Act, 1898, and the Land and Income Tax (Amendment) Act, 1904.

2.

Income Tax Deduction.

Application of Act.

2. This Act shall apply to the income tax for the year one thousand nine hundred and eight, and for any subsequent year.

Definitions.

3. In this Act, unless the context requires another meaning,—

“Business” includes every profession, trade, employment, or vocation.

“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, commissions, 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 or accruing from any business carried on in New South Wales, whether such business 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.

Deduction of £200 under Principal Act.

4. The deduction of two hundred pounds under section sixteen of the Principal Act in the assessment of any income shall be made in pursuance of this Act.

Such deduction 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 two hundred pounds, the deduction shall be so made to the extent of such income; and any part of the said two hundred pounds not applied in such deduction shall be deducted from income derived from the produce of property.

Where there is no income derived from personal exertion the two hundred pounds shall be deducted from income derived from the produce of property.

Further deduction from income derived from personal exertion.

5. Where income chargeable under the Principal Act (including income on which income tax is payable under the Land and Income Tax (Declaratory) Act, 1898), being income of any person, not being a company, derived from personal exertion, exceeds two hundred pounds, such person shall be entitled to a further deduction from such income of the amount by which such income exceeds two hundred pounds, but so that the total deductions from such income under this and the next preceding section shall not in any case exceed one thousand pounds.