

## INCOME TAX MANAGEMENT (AMENDMENT) ACT.

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### Act No. 9, 1914.

**George V, An Act to amend the Income Tax (Management) No. 9.** Act, 1912, and in particular to amend the definition of income so as to include certain gains and profits ; to give a retrospective operation to certain of the amendments so made ; and for purposes consequent thereon or incidental thereto. [Assented to, 16th April, 1914.]

**B**E 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 :—

**Short title.**

**1** This Act may be cited as the "Income Tax Management (Amendment) Act, 1914."

**Amendment of s. 4, Management Act, 1912.**

**2.** (1) The definition of "absentee" in section four of the Income Tax (Management) Act, 1912, is repealed.

**"Income."**

(2) In the same section, the definition of "income" is amended by inserting after "include" the word "capital."

(3) The same definition is further amended by adding the following :—

**Gains from sale of property.**

"Any gains or profits accruing to a taxpayer on the sale by him during the year of income—

- (i) of any estate or interest in land within the State including a lease of such land and including the goodwill of any business carried on on the land, where such estate or interest was bought by him, or the land was leased to him during such year or the four years next prior thereto ;
- (ii)

(ii) of shares in any company bought by him during such year or the two years next prior thereto ; or  
(iii) of any other personal property of what kind soever, and of the value of fifty pounds or upwards, bought by him during such year.

where the buying or selling of such estate or interest or of such shares or property or the leasing of the land was not in the course of the business of the taxpayer, shall be deemed to be income derived during the year of income from a source in the State :

Provided that in assessing such gains or profits deduction may be made of any losses incurred during the year of income on the sale by the taxpayer during such year of any such estates or interests, shares or property bought or of any such lease granted as aforesaid."

(4) In the same section the definition of "tax-payer" is amended by omitting "by whom income tax is payable" and inserting the words "receiving income"

(5) This section shall apply to income for the year one thousand nine hundred and thirteen and for any subsequent year.

**3.** (1) Paragraph (g) of section ten of the same Act is amended by omitting "earned" and inserting the word "derived"

(2) The same section is amended by adding the following new paragraph at the end of the section :—

(h) Income derived from shares in a company.

This subsection shall apply to income for the year 1913 and for any subsequent year.

**4.** Paragraph (d) of subsection one of section eleven of the same Act is amended as follows :—

(a) After "in the State" insert the words " or being interest derived from any other source in the State."

(b) At the end of the paragraph insert the words "or the person paying such interest, as the case may be."

**5.** In subsection one, paragraph (a), of section sixteen of the same Act omit "three hundred" insert "two hundred and fifty"

This section shall apply to income for the year one thousand nine hundred and thirteen and for any subsequent year.

**6.**

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Amendment  
of s. 10 of  
Management  
Act, 1912.

Amendment  
of s. 11 (1) (d).

Amendment  
of s. 16 (1) (a).  
Exemption.

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Further  
amendments  
to s. 16 and  
s. 19.

Amendment  
of paragraph  
(c) of s. 16.

Further  
amendment  
of s. 17.

Application  
of section.

Amendment  
of proviso  
to s. 17.

**6.** (1) In the same Act—

- (a) omit paragraph (f) of subsection one of section sixteen;
- (b) omit paragraph (e) of subsection two of the same section;
- (c) add to the section a new subsection as follows:—  
  - (3) Deduction shall not be made in respect of payments of income tax.
- (d) in the last proviso to subsection two of section nineteen omit all after “(a), (b), (c), d,” to the end of the section.

(2) This section shall apply to income for the year one thousand nine hundred and thirteen and for any subsequent year.

**7.** Paragraph (e) of subsection one of section sixteen of the same Act is amended as follows:—

- (a) Omit “including commission, discount, travelling expenses”
- (b) After “owned by him” at the end of sub-paragraph (ii) insert new sub-paragraph as follows:—  
  - (iia) commission, discount, and travelling expenses paid by the taxpayer, being expenses incurred by him in New South Wales in the production of his income.

**8.** Section seventeen of the same Act is further amended as follows:—

- (a) Omit “deductions (e) and (f) so far as they may be” insert “deduction (e) so far as it may be.”
- (b) Omit “and shall further deduct any sum paid or credited to a shareholder or policy-holder by the company during the year of income, as dividend or bonus.”
- (c) Omit “such deductions” insert “such deduction.”

This section shall apply to income for the year one thousand nine hundred and thirteen, and for any subsequent year.

**9.** The two provisos to section seventeen of the same Act are repealed and the following is substituted for them:—

Provided that if a company pays or credits to any shareholder or policy-holder by way of dividend or bonus any sum upon which such company has previously paid tax for the year one thousand nine hundred

hundred and twelve or any previous year the amount of such tax shall be repaid to the company or allowed in account, by the commissioners : George V,  
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Provided further that the commissioners shall not deduct any sum so paid or credited to a shareholder or policy-holder unless the company, before the expiration of two months from the commencement of the Income Tax Management (Amendment) Act, 1914, or such further time as the commissioners may allow, states to them the name, occupation, and address of such shareholder or policy-holder, and the amount paid or credited to him. Such deduction shall be made in the first place from income derived by the company from personal exertion.

**10.** Section nineteen of the same Act is amended as follows :— Amendment of s. 19 (1).

- (a) In subsection one omit the words “The taxable income of any taxpayer engaged in the business of owner or charterer of ships trading from a port in the State to a port outside the State and”
- (b) After subsection one insert the following new subsection :—

(1A) When a foreign company or a person whose principal place of business is out of the State carries passengers, live stock, or goods shipped in the State, either as owner or charterer of any vessel, such company or person shall by itself or himself or its or his agent in the State, within the prescribed time, make a return of the full amount payable to it or to him, whether such amount is payable in the State or beyond the State, in respect of the carriage of such passengers, live stock, and goods to the port of discharge. See 2 Ed. VII, No. 10, s. 33 (Queensland).

Such company, person, or agent shall be assessed thereon, and the taxable amount of the income derived therefrom shall, if such income cannot in the opinion of the Commissioners be otherwise satisfactorily determined, be assessed at an amount equal to five pounds for every one hundred pounds so payable as aforesaid.

**11.**

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Amendment  
of s. 20 (3).

Amendment  
of s. 21.

New sections  
24A, 24B, and  
24C.

Taxation  
during year  
of income.

Examination  
of books, &c.,  
2 Ed. VII,  
No. 10, s. 42  
(Queensland).

**11.** Subsection three of section twenty of the same Act is amended as follows:—

- (a) Omit “or by his agent duly authorised in that behalf.”
- (b) At the end of the subsection add the words “Provided that if the taxpayer is absent from the State, or is unable from physical or mental infirmity to make such return, the return may be signed and delivered by some person authorised by him.”

**12.** Section twenty-one of the same Act is amended by adding thereto the words “and may rescind or amend any assessment so made.”

**13.** The following sections are inserted next after section twenty-four of the same Act:—

**24A.** (1) Notwithstanding the previous provisions of this Part the Commissioners at any time during a year of income—

- (a) may, by notice served as prescribed, require any person who is a resident out of the State, and who has not a fixed and permanent place of business in the State, to furnish, before the day in such notice mentioned, a return of his income during such year and during the previous three years of income;
- (b) may assess the tax payable by any such person on his income during such year, whether such person has or has not been required to make any return under this section;
- (c) may send to the taxpayer, through the post, an assessment notice assessing the tax payable by him, and in such notice may fix a day upon which the tax shall be paid to the Commissioners at their office.

(2) If any such person fails to pay such tax on the day so fixed, he shall be liable to pay by way of fine ten per centum upon the amount of the tax, and the Commissioners may forthwith sue him for the amount of the tax and of the fine, in any court of competent jurisdiction.

**24B.** The Commissioners may, by seven days' notice, require any person to produce, for examination by any person appointed in that behalf, and at any time and place fixed by the Commissioners, any deeds,

deeds, instruments, books, accounts, vouchers, trade-lists, stock-sheets, documents, or writings that may be deemed by the Commissioners to be necessary for the purpose of obtaining information in respect of the income of any person or company.

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If any person, without reasonable excuse, fails to comply with any requirement made under this section he shall be liable to a penalty not exceeding ten pounds, and to a further penalty not exceeding five pounds for every day after the first during which such default continues.

**14.** Section thirty-seven of the same Act is amended *Amendment of s. 37.* by omitting "twenty pounds" and inserting "one hundred pounds."