

## INCOME TAX MANAGEMENT (AMENDMENT) ACT.

Act No. 27, 1918.

**George V, No. 27.** An Act to amend the law with regard to the assessment and collection of a tax on incomes ; to amend the Income Tax (Management) Act, 1912, the Income Tax Management (Amendment) Act, 1914, and the Income Tax Management (Further Amendment) Act, 1914 ; and for purposes consequent thereon or incidental thereto. [Assented to, 15th November, 1918.]

**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.** (1) This Act may be cited as the "Income Tax Management (Amendment) Act, 1918."

**Principal Act.**      (2) The Income Tax (Management) Act, 1912, as amended by the Income Tax Management (Amendment) Act, 1914, and the Income Tax Management (Further Amendment) Act, 1914, is hereinafter referred to as the Principal Act.

**Commencement.**      **2.** This Act shall commence and take effect on and from a day to be appointed by the Governor by proclamation in the Gazette. On the day so proclaimed the present Commissioners of Taxation shall cease to hold office.

**Amendments of s. 5.**      **3.** (1) Section five of the Principal Act is amended—  
                                  (a) by omitting subsections one, five, six, and seven ;

(b)

- (b) by inserting the following subsection in lieu of subsection one :—

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- (1) The Governor may appoint for the administration of this Act a Commissioner of Taxation who may sue and be sued by that name ;
- (c) by omitting in subsection two the words “ any Commissioner ” and inserting in lieu thereof “ the Commissioner ” ; and
- (d) by omitting in subsection eight the word “ Commissioners ” each time it occurs and inserting “ Commissioner.”

(2) The Principal Act is amended by omitting the words “ Commissioners,” and the words “ their,” and “ them ” (when referring to the Commissioners) wherever occurring, and inserting in lieu thereof respectively the words “ Commissioner,” “ his,” and “ him.”

General  
amendments.

**4.** Subsection one of section six of the Principal Act is amended by inserting after the word “ Commissioner,” where it occurs in the first paragraph, the words “ and Deputy Commissioner,” and by omitting in the second paragraph the expression “ a Commissioner ” and inserting in lieu thereof “ the Commissioner.”

Amendment  
of s. 6.

**5.** Section nine of the Principal Act is amended by omitting all the words after “ shall be paid,” and substituting therefor the words “ to the Commissioner in the year one thousand nine hundred and nineteen and in each subsequent year, in respect of taxable income which has been received by any person during the period of twelve months ending on the thirtieth day of June preceding the year in which such tax is payable ”:

Amendment  
of s. 9.  
Year of  
assessment to  
be financial  
year.

Provided that if any taxpayer satisfies the Commissioner that the taxable income received by him during the period of twelve months ending on the thirtieth day of June, one thousand nine hundred and eighteen, is in excess of such income received by him during the year ending on the thirty-first day of December, one thousand nine hundred and eighteen, the Commissioner may assess such taxpayer on such an amount of taxable income not exceeding the taxable income actually received by such taxpayer during the year ending thirty-first day of December, one thousand nine hundred and eighteen, as in the opinion of the Commissioner is fair and reasonable :

Provided

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Provided further that if the taxpayer is dissatisfied with such assessment, and an agreement with the Commissioner cannot be arrived at, the taxpayer may appeal in the prescribed manner from such assessment to the Court of Review.

Amendment  
of s. 10.

**6.** Section ten of the Principal Act is amended by adding the following paragraph :—

Exemption.

(i) The incomes of Starr-Bowkett Building Societies.

Amendment  
of s. 16.

**7.** (1) Section sixteen, subsection one, of the Principal Act is amended by inserting the following sub-paragraphs after sub-paragraph (ii a) of paragraph (c) :—

Deductions.

(ii b) The annual sum necessary to recoup the expenditure on improvements made under covenant with the lessor on land by a lessee who has no tenant rights in the improvements. The deduction under this paragraph shall be ascertained by dividing the amount expended on the improvements by the lessee by the number of years in the unexpired period of the lease at the date the improvements were effected.

(ii c) Any sums expended by the taxpayer on suckering or eradicating seedlings or prickly-pear on lands owned, held, or occupied by the taxpayer.

(ii d) A sum of fifty pounds in respect of the annual allowances of Members of the Legislative Assembly.

(2) Subsection three of the same section is repealed and the following subsection inserted in lieu thereof :—

(3) Deduction shall not be made in respect of—

(a) any payment of income tax ;

(b) any wastage or depreciation of lease or in respect of any loss occasioned by the expiration of any lease :

Provided that where it is proved to the satisfaction of the Commissioner that any taxpayer (being the lessee under a lease or the assignee or transferee of a lease) has paid any fine, premium, or foregift, or consideration in the nature of a fine, premium, or foregift, for a lease or a renewal of a lease, or an amount for the assignment or transfer of a lease of premises or machinery

machinery used for the production of income, the Commissioner may allow, as a deduction for the purpose of arriving at the income, the amount obtained by dividing the sum so paid by the number of years of the unexpired period of the lease at the date the amount was so paid.

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**8.** Section nineteen of the Principal Act is amended by adding to the first paragraph of subsection two the following words—"or, in the discretion of the Commissioner, as the total amount of sales in connection with the business effected in the State bears to the total amount of such sales effected both in and outside the State."

Amendment  
of s. 19 (2).

**9.** Section twenty-one of the Principal Act is amended by the addition of the following paragraph :—

Amendment  
of s. 21.

If the Commissioner is not satisfied with the return made by any person he may make an assessment of the amount upon which, in his judgment, income tax ought to be levied, and the person assessed shall, subject to his right of appeal, be liable to income tax thereon.

**10.** Subsections one, two, three, and four of section twenty-three of the Principal Act, and paragraph (a) of section thirty, are hereby repealed.

Repeal.

**11.** Section thirty-six of the Principal Act is amended by omitting the words "one hundred pounds and shall be guilty of perjury" and inserting in lieu thereof the words "five hundred pounds, and in addition an amount equal to treble the amount of income tax which would have been avoided if the income stated in the return had been accepted as the correct income. An information or complaint for the recovery of such penalty may be made or laid within six years after the matter of the information or complaint arose."

Amendment  
of s. 36.  
Penalty.