

## INCOME TAX MANAGEMENT (AMENDMENT) ACT.

Act No. 22, 1922.

An Act to make certain provisions as to the averaging of the rates of income tax on incomes derived from agricultural, dairying, and pastoral pursuits, and, for that purpose, to amend the Income Tax (Management) Act, 1912; and for purposes connected therewith. [Assented to, 14th November, 1922.]

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 Management (Amendment) Act, 1922."

2. The Income Tax (Management) Act, 1912, is amended as follows:—

(a) By inserting the following new section after section nine:—

9A. Where the income of a taxpayer is derived wholly or in part from any agricultural, dairying, or pastoral pursuit carried on by the taxpayer, the following provisions shall be applied to so much of the taxable income as is derived from any such pursuits:—

(a) In assessments of tax payable upon income derived in the year of income ending on the thirtieth day of June, one thousand nine hundred and twenty-two, and subsequent years, the rate to be applied to the taxable income so derived in the year of income shall be calculated under the Act by which the rates of income

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income tax are declared as if the taxable income so derived by the taxpayer were an amount equal to the average of the taxable income so derived by the taxpayer in the years (in this section called "average years") beginning with and including the first average year and ending with and including the year of income.

- (b) The first average year shall be the fourth year before the year of income, except in the cases in which the subsequent provisions of this section provide for the first average year being a later year.
- (c) The first average year shall not be earlier than the year of income beginning on the first day of July, one thousand nine hundred and twenty.
- (d) Where the taxable income so derived of the taxpayer for the year which would otherwise be the first average year, was greater than his taxable income so derived of the next succeeding year, the first average year shall be the first year, subsequent to the first-mentioned year, in which the taxable income so derived of the taxpayer was less than his taxable income so derived in the next subsequent year.
- (e) Any year in which the taxpayer was not carrying on any such pursuit shall not be counted as a first average year, but any year in which the deductions allowable in his assessment to a taxpayer carrying on any such pursuit left no taxable income derived therefrom shall be capable of being a first average year, and if an average year, shall be taken into account in ascertaining the average taxable income derived from any such pursuit, and the excess of allowable deductions over income in any average year shall be taken into account in calculating the average. (f)

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(f) Where the taxpayer establishes that, owing to his retirement from any such pursuits, his taxable income so derived has been reduced to an amount which is less than two-thirds of the average taxable income so derived by reference to which the rate of tax to be applied would be calculated, apart from the provisions of this section, he shall be assessed as if he had never been a taxpayer in a previous year.

(g) Where there are not at least two average years for the purpose of calculating the rate under the foregoing provisions of this section, the rate of tax to be applied in a year to the taxable income of a taxpayer shall be the rate applicable in that year under the Act by which the rates of income tax are declared to a taxable income of that amount.

For the purposes of this section a person whose sole business is buying and selling live stock shall not to the extent of such business be deemed to be carrying on an agricultural, dairying, or pastoral pursuit;

(b) by inserting at the end of paragraph (f) of section ten the following words:—"or from debentures or inscribed stock issued by the Commissioners of the Government Savings Bank of New South Wales";

(c) by inserting in subsection two of section sixteen the following new paragraph:—

(c) When the provisions of section 9A are resorted to the deductions (a), (b), (c), (d), and (e) (iid) shall be made in the first place from income other than that derived from agricultural, dairying, or pastoral pursuits.

(d) by omitting in subparagraph (iid) of paragraph (e) of subsection one of section sixteen the word "fifty" and inserting in lieu thereof the words "one hundred."