

TAXATION REDUCTION ACT.

Act No. 11, 1933.

An Act to reduce taxation; to further reduce certain rates of Income Tax imposed by the Income Tax Act, 1928; to impose an Income Tax on the incomes of companies in lieu of that imposed by the Income Tax Act, 1929; to amend the Income Tax Act, 1928, and the Income Tax Act, 1929; to repeal the Unemployment Relief Tax Act, 1933, as regards the Unemployment Relief Tax charged on net assessable incomes; to discontinue the Unemployment Relief Tax charged on income from employment as from a certain date; to impose a Special Income Tax on net assessable incomes; to impose a Wages Tax on income from wages; to discontinue the imposition of the contributions by employers in respect of family endowment; and for purposes connected therewith. [Assented to, 18th October, 1933.]

George V,
No. 11, 1933.

BE

No. 11, 1933.

— 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:—

PART I.

PRELIMINARY.

Short title. 1. This Act may be cited as the "Taxation Reduction Act, 1933."

Division into Parts. 2. This Act is divided into Parts as follows:—

PART I.—PRELIMINARY—ss. 1, 2.

PART II.—INCOME TAX—ss. 3—5.

PART III.—UNEMPLOYMENT RELIEF TAX—ss. 6—8.

PART IV.—SPECIAL INCOME TAX—ss. 9—14.

PART V.—WAGES TAX—ss. 15—18.

PART VI.—FAMILY ENDOWMENT CONTRIBUTIONS—ss. 19, 20.

PART II.

INCOME TAX.

Construction of Part. 3. This Part of this Act shall be construed with the Income Tax (Management) Act, 1928, as amended by subsequent Acts.

Reduction of rates on income from personal exertion and property.

4. In respect of the taxable income which has been derived by any person other than a company during the income year ended on the thirtieth day of June, one thousand nine hundred and thirty-three, or such other period as may be accepted by the Commissioner in lieu thereof, and during each subsequent income year, the rates of income tax fixed by the First and Second Schedules respectively of the Income Tax Act, 1928, shall be reduced by fifteen per centum and the provisions of the Third and Fourth Schedules shall be applied, having

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having regard to such reduction and the said First, Second, Third and Fourth Schedules shall be construed as if the word "sterling" wherever occurring therein, were omitted.

5. In respect of the taxable income which has been derived by any company during the income year ended on the thirtieth day of June, one thousand nine hundred and thirty-three or such other period as may be accepted by the Commissioner in lieu thereof, and during each subsequent income year, there shall be annually levied and paid under the provisions of the Income Tax (Management) Act, 1928, as amended by subsequent Acts, and in the manner therein prescribed, income tax at the rates set out hereunder, namely:—

(1) On the taxable income of every New South Wales company if the taxable income of the company does not exceed four thousand five hundred pounds, the rate of tax per pound of the taxable income of the company, except as is hereinafter specifically provided, shall be according to the following scale, that is to say:

The rate of tax per pound
If the taxable income of the company— of the taxable income
shall be—

Does not exceed five hundred pounds One shilling and nine pence.

Exceeds five hundred and does not exceed one thousand pounds One shilling and ten pence.

Exceeds one thousand and does not exceed one thousand five hundred pounds One shilling and eleven pence.

Exceeds one thousand five hundred pounds and does not exceed two thousand pounds Two shillings.

Exceeds two thousand and does not exceed two thousand five hundred pounds Two shillings and one penny.

If

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— The rate of tax per pound
 If the taxable income of the company— of the taxable income
 shall be—

Exceeds two thousand five Two shillings and two-
 hundred and does not pence.
 exceed three thousand
 pounds

Exceeds three thousand Two shillings and
 and does not exceed threepence.
 three thousand five
 hundred pounds

Exceeds three thousand Two shillings and
 five hundred and does fourpence.
 not exceed four thou-
 sand pounds

Exceeds four thousand Two shillings and five-
 and does not exceed pence.
 four thousand five
 hundred pounds

(2) On the taxable income of every mutual life assurance company the rate of tax per pound of the taxable income of the company shall be eighteen pence.

(3) On the taxable income of a company (other than a mutual life assurance company) carrying on the business of life assurance in the State, the rates of income tax shall be as follows:—

(a) on so much of that part of the taxable income of the company which has been derived from its life assurance business as bears the same proportion to such part of the taxable income as the amount of the profits divided for the same income year amongst the life assurance policy-holders of the company bears to the total profits of the company's life assurance business for the same income year the rate of income tax shall be eighteen pence per pound;

(b)

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(b) on the remainder of the taxable income of the company the rate of income tax shall be thirty pence per pound.

(4) For every pound of the taxable income of a company as is assessed under the provisions of paragraph (a) of section seventeen of the Income Tax (Management) Act, 1928, the rate of tax shall be eighteen pence in each and every pound of such taxable income.

(5) Except as hereinbefore in this section specifically provided, on the taxable income of every New South Wales company and on the taxable income of every foreign company the rate of tax shall be thirty pence for every pound of the taxable income.

PART III.**UNEMPLOYMENT RELIEF TAX.**

6. This Part of this Act shall be construed with the Construction of Part. Unemployment Relief Tax Act, 1933.

7. Paragraphs (a) and (b) of section two of the Amendment of Act No. 4, 1933, s. 2 (1), (b). Unemployment Relief Tax Act, 1933, are hereby repealed.

8. Paragraph (c) of section two of the Unemployment Relief Tax Act, 1933, shall not apply in respect of the income from employment derived by any person other than a company on or after the first day of December, one thousand nine hundred and thirty-three. Discontinuance of Unemployment Relief Tax from 30.11.33.

PART

PART IV.

SPECIAL INCOME TAX.

Construction
of Part.

9. This Part of this Act shall be construed with the Special Income and Wages Tax (Management) Act, 1933.

Levy of
Special
Income
Tax.

10. There shall be charged, levied, collected and paid for the use of His Majesty and for the credit of the Consolidated Revenue Fund, under the provisions of the Special Income and Wages Tax (Management) Act, 1933, and the regulations made thereunder, and subject to the exemptions in that Act contained, Special Income Tax at the respective rates in this Part of this Act provided.

Rates of
Special
Income Tax
on incomes
of persons
other than
companies.

11. In respect of the net assessable income derived by every person other than a company during the income year ended on the thirtieth day of June, one thousand nine hundred and thirty-three, or such other period as has, prior to the commencement of this Act, been, or may, after such commencement, be accepted by the Commissioner under the provisions of the Principal Act in lieu thereof the rates of Special Income Tax shall be as follows:—

(1) Where during such income year the person derived no income from employment within the meaning of that term in the Unemployment Relief Acts—

(a) As to five-twelfths of One shilling in each such net assessable income

 pound thereof.

(b) As to the remaining Seven-twelfths of such net assessable income

 Sixpence in each

 pound of the first

 sixty pounds there-

 of.

Eightpence in each
pound of so much of
such net assessable
income as exceeds
sixty pounds and
does not exceed one
hundred and twenty
pounds.

Tenpence

Tenpence in each pound of so much of such net assessable income as exceeds one hundred and twenty pounds.

(2) Where during such income year the person also derived income from employment within the meaning of that term in the Unemployment Relief Acts—

- (a) As to five-twelfths of One shilling in each such net assessable income—
- (b) As to the remaining seven-twelfths of such net assessable income—

(i) where seven-twelfths of the amount of such income from employment does not exceed sixty pounds

Sixpence in each pound of an amount equal to the difference between seven-twelfths of the income from employment and sixty pounds.

Eightpence in each pound of a further amount not exceeding sixty pounds.

Tenpence in each pound of the balance.

(ii) where seven-twelfths of the amount of such income from employment exceeds sixty pounds and does not exceed one hundred and twenty pounds

Eightpence in each pound of an amount equal to the difference between seven-twelfths of the income from employment and one hundred and twenty pounds.

Tenpence

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Tenpence in each pound of the balance.

(iii) where seven-twelfths of the amount of such income from employment exceeds one hundred and twenty pounds

Rates of tax in certain special cases.

12. Where a trust estate falls to be distributed or a person is about to leave the State after the close of the income year ending on the thirtieth day of June, one thousand nine hundred and thirty-three, and before the passage of an Act fixing the rate of Special Income Tax in respect of net assessable income derived after such income year and an assessment of Special Income Tax becomes necessary the rates of tax to be paid in respect of such net assessable income shall be those set out in the second column of subparagraph (b) of paragraph one of section eleven, such subparagraph being modified by substituting "one hundred" for "sixty" wherever occurring and "two hundred" for "one hundred and twenty" wherever occurring.

Rate of Special Income Tax payable under section 10 of Special Income and Wages Tax (Management) Act, 1933.

13. (1) In respect of the net assessable income derived by every person (other than a company) not domiciled in the State consisting of dividends or interest referred to in section ten of the Special Income and Wages Tax (Management) Act, 1933, during the income year ended on the thirtieth day of June, one thousand nine hundred and thirty-three, the rate of Special Income Tax shall be tenpence in each pound thereof.

(2) Where the dividend or interest is paid after the thirtieth day of June, one thousand nine hundred and thirty-three, and before the passage of any Act fixing the rate of Special Income Tax for any income year ending at any later date, the rate of Special Income Tax shall be tenpence in each pound of the dividend or interest.

Rate of Special Income Tax on incomes of companies.

14. (1) In respect of the net assessable income derived by every company during the income year ended on the thirtieth day of June, one thousand nine hundred and

and thirty-three, or such other period as has, prior to the commencement of this Act, been or may, after such commencement, be accepted by the Commissioner under the provisions of the Principal Act in lieu thereof, the rates of Special Income Tax shall be—

- (a) As to five-twelfths of One shilling in each such net assessable income pound thereof.
- (b) As to the remaining Tenpence in each seven-twelfths of such pound thereof. net assessable income

(2) Where a company is being wound up after the close of the income year ending on the thirtieth day of June, one thousand nine hundred and thirty-three, and before the passage of an Act fixing the rate of Special Income Tax in respect of net assessable income derived after such income year and an assessment of Special Income Tax becomes necessary, the rate of tax to be paid in respect of such net assessable income shall be tenpence in each pound of the net assessable income.

PART V.**WAGES TAX.**

15. This part of this Act shall be construed with the Construction of Part. Special Income and Wages Tax (Management) Act, 1933.

16. There shall be charged, levied, collected and paid Levy of Wages Tax. for the use of His Majesty and for the credit of the Consolidated Revenue Fund, under the provisions of the Special Income and Wages Tax (Management) Act, 1933, and the regulations made thereunder, and subject to the exemptions in that Act contained, Wages Tax at the respective

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respective amounts or at the respective rates provided in this Part of this Act, in respect of income from wages derived by every person other than a company during the part of the income year commencing on the first day of December, one thousand nine hundred and thirty-three and ending on the thirtieth day of June one thousand nine hundred and thirty-four, or so derived during such part of the income year ending on the thirtieth day of June, one thousand nine hundred and thirty-five, not exceeding the first four months thereof, as the Governor by proclamation published in the Gazette before the thirtieth day of June, one thousand nine hundred and thirty-four, shall determine.

**Rate of
Wages
Tax.**

17. Where the income from wages earned in any week does not exceed three pounds ten shillings, or where the employee is paid fortnightly the income from wages earned in any fortnight does not exceed seven pounds, the amounts of Wages Tax payable shall be as follows:—

(a) Where an employee is paid weekly—

- (i) if the income from Ninepence wages earned in any week is not less than two pounds and does not exceed two pounds ten shillings
- (ii) if the income from One shilling and three-pence wages earned in any week exceeds two pounds ten shillings and does not exceed three pounds
- (iii) if the income from One shilling and nine-pence wages earned in any week exceeds three pounds and does not exceed three pounds ten shillings

(b)

(b) Where an employee is paid fortnightly—

- (i) if the income from One shilling and six-wages earned in any pence. fortnight is not less than four pounds and does not exceed five pounds
- (ii) if the income from Two shillings and six-wages earned in any pence. fortnight exceeds five pounds and does not exceed six pounds
- (iii) if the income from Three shillings and wages earned in any sixpence. fortnight exceeds six pounds and does not exceed seven pounds

(c) Where an employee is paid at other than weekly or fortnightly intervals—

- (i) if the income from Ninepence for every wages earned in any such week. week is not less than two pounds and does not exceed two pounds ten shillings
- (ii) if the income from One shilling and three-wages earned in any pence for every such week. pounds ten shillings and does not exceed three pounds
- (iii) if the income from One shilling and nine-wages in any week exceeds three pounds pence for every such week. and does not exceed three pounds ten shillings

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Rates of
Wages Tax
on incomes
over three
pounds ten
shillings.

18. Where the income from wages earned in any week exceeds three pounds ten shillings, or where the employee is paid fortnightly the income from wages earned in any fortnight exceeds seven pounds, the rates of Wages Tax shall be as follows:—

(a) Where an employee is paid weekly—

- (i) on so much of the income from wages earned in any week as does not exceed two pounds Sixpence in each pound thereof.
- (ii) on so much of the income from wages earned in any week as exceeds two pounds One penny in each two shillings and sixpence thereof.
- (iii) on so much of the income from wages earned in any week as exceed four pounds One penny in each two shillings thereof.

(b) Where an employee is paid fortnightly—

- (i) on so much of the income from wages earned in any fortnight as does not exceed four pounds Sixpence in each pound thereof.
- (ii) on so much of the income from wages earned in any fortnight as exceeds four pounds Twopence in each five shillings thereof.
- (iii) on so much of the income from wages earned in any fortnight as exceeds eight pounds Twopence in each four shillings thereof.

(c)

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(c) Where an employee is paid at other than weekly or fortnightly intervals—

- (i) on so much of the income from wages earned in any week as does not exceed two pounds Sixpence in each pound thereof.
- (ii) on so much of the income from wages earned in any week as exceeds two pounds and does not exceed four pounds One penny in each two shillings and sixpence thereof.
- (iii) on so much of the income from wages earned in any week as exceeds four pounds One penny in each two shillings thereof.

PART VI.

FAMILY ENDOWMENT CONTRIBUTIONS.

19. This Part of this Act shall be construed with the Family Endowment Act, 1927-1932, as amended by subsequent Acts. Construction of Part.

20. (1) No contribution shall be payable by any employer to the Consolidated Revenue Fund under the provisions of the Family Endowment Act, 1927-1932, as amended by subsequent Acts or the Finance (Family Endowment Tax) Act, 1932, in respect of wages paid after the commencement of this section. Discontinuance of contributions in respect of family endowment.

(2) This section shall commence on the first day of January, one thousand nine hundred and thirty-four.

STAMP