

INCOME TAX ACT.

Act No. 47, 1941.

An Act to impose an Income Tax; and for purposes connected therewith. [Assented to, 24th October, 1941.] George VI.
No. 47, 1941.

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. (1) This Act may be cited as the "Income Tax Act, 1941," and shall be construed with the Income Tax Management Act, 1941, in this Act hereinafter referred to as the Principal Act. Short title
and
commence-
ment.

(2) This Act shall commence upon the first day of November, one thousand nine hundred and forty-one.

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Levy of
income
tax.

2. In respect of the taxable income which has been derived by any person during the year of income ended on the thirtieth day of June, one thousand nine hundred and forty-one, or such other period as has been or may be accepted by the Commissioner in lieu thereof, and during each subsequent year of income, there shall be annually charged, levied, collected and paid under the provisions of the Principal Act and in the manner therein prescribed, income tax at the respective rates in this Act provided.

Rates of
income tax.

3. (1) In the case of any person (other than a primary producer to whom the provisions of Division 18 of Part III of the Principal Act apply, or a trustee, or a company)—

- (a) the rate of income tax in respect of income derived from personal exertion shall be as set out in the First Schedule to this Act;
- (b) the rate of income tax in respect of income derived from property shall be as set out in the Second Schedule to this Act;
- (c) the rates of income tax in respect of a total taxable income, part being income derived from personal exertion and the remainder being income derived from property, shall be as set out in the Third Schedule to this Act.

(2) The rates of income tax payable by a primary producer to whom the provisions of Division 18 of Part III of the Principal Act apply shall be as set out in the Fourth Schedule to this Act.

(3) The rates of income tax payable by a trustee shall be as set out in the Fifth Schedule to this Act.

(4) Subject to subsection three of this section, the rates of income tax payable by a company shall be as set out in the Sixth Schedule to this Act.

Limitation
of tax in
certain
cases.

4. Notwithstanding anything contained in this Act, the amount of tax payable by any person (other than a company or a trustee) domiciled in this State shall not exceed one-half of the amount by which his net income from all sources exceeds the sum of one hundred and fifty-six pounds or, where that person has a dependant, exceeds the sum of two hundred and fifty pounds.

5.

5. In addition to the income tax payable under the preceding provisions of this Act there shall be payable, as and by way of income tax, a super tax of one shilling in the pound upon so much of the taxable income derived by any person (other than a company) as exceeds two thousand pounds.

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Super tax
on certain
income.

6. Where, prior to the commencement of this Act, an assessment has been made and income tax has been charged at the rates provided by the Income Tax Act, 1939, or the Income Tax Act, 1940, or unemployment relief tax has been charged at the rates provided by the Unemployment Relief Tax Act, 1939, or the Unemployment Relief Tax Act, 1940, or the Unemployment Relief Tax (Further Provisions) Act, 1940, or the Unemployment Relief Tax (Taxation Reduction) Act, 1941, or social services tax has been charged at the rates provided by the Social Services Tax Act, 1939, or the Social Services Tax Act, 1940, or the Social Services Tax (Further Provisions) Act, 1940, or the Social Services Tax (Taxation Reduction) Act, 1941, upon income derived after the year of income ended on the thirtieth day of June, one thousand nine hundred and forty, or such other period as has, under the provisions of the Income Tax (Management) Act, 1936, as amended by subsequent Acts, been accepted by the Commissioner in lieu of that year—

Rates of
tax under
this Act
not to
apply in
certain
cases.

- (a) by a trust estate which has been distributed;
 - (b) by a non-resident whilst temporarily in this State who has paid income tax upon that income before leaving Australia;
 - (c) by a person by whom or on whose behalf the Commissioner, pursuant to Division 15 of Part III of the Income Tax (Management) Act, 1936, as amended by subsequent Acts, has required a return to be made; or
 - (d) by a company which has been wound up,
- the aggregate of the amounts of the tax so charged under those Acts shall be deemed to be the income tax chargeable under this Act in respect of such income.

7. (1) The Unemployment Relief Tax (Taxation Reduction) Act, 1941, is amended—

Amendment
of Act No.
7, 1941.

- (a) (i) by omitting from section six the words “an Act fixing the rates of unemployment relief tax

Sec. 6.

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tax in respect of net assessable income derived after such year of income" wherever occurring, and by inserting in lieu thereof the words "the Income Tax Act, 1941";

- (ii) by inserting at the end of subsection one of the same section the words—

Provided that where under this subsection an amount of tax has been paid before the commencement of the Income Tax Act, 1941, by a person who is a resident, the amount so paid shall be deemed to have been paid on account of income tax chargeable against that person under the said Act in respect of the year of income during which such net assessable income was derived.

Sec. 7.

- (b) by inserting in section seven after the words "commencement of this Act," the words "and before the commencement of the Income Tax Act, 1941";

Sec. 8.

- (c) by omitting from subsection two of section eight the words "an Act fixing the rates of unemployment relief tax in respect of net assessable income so derived" and by inserting in lieu thereof the words "the Income Tax Act, 1941."

**Amendment
of Act No.
8, 1941.**

(2) The Social Services Tax (Taxation Reduction) Act, 1941, is amended—

Sec. 6.

- (a) (i) by omitting from section six the words "an Act fixing the rates of social services tax in respect of net assessable income derived after such year of income," wherever occurring, and by inserting in lieu thereof the words "the Income Tax Act, 1941";
- (ii) by inserting at the end of subsection one of the same section the words—

Provided that where under this subsection an amount of tax has been paid before the commencement of the Income Tax Act, 1941, by a person who is a resident, the amount so paid shall be deemed to have been paid on account of income tax chargeable against that

that person under the said Act in respect ^{No. 47, 1941.}
of the year of income during which such
net assessable income was derived.

- (b) by inserting in section seven after the words ^{Sec. 7.}
“commencement of this Act” the words “and
before the commencement of the Income Tax
Act, 1941”;
- (c) by omitting from subsection two of section eight ^{Sec. 8.}
the words “an Act fixing the rates of social
services tax in respect of net assessable income
so derived” and by inserting in lieu thereof the
words “the Income Tax Act, 1941.”

SCHEDULES.

FIRST SCHEDULE.

Rate of Tax upon Income Derived from Personal Exertion.

For the purposes of this Schedule

R=Rateable income in pounds.

1. If the rateable income does not exceed six thousand five hundred pounds, the rate of tax per pound of the taxable income shall be—

Where the rateable income does not exceed one hundred and fifty-six pounds; 3.5 pence in each pound of the taxable income.

Where the rateable income exceeds one hundred and fifty-six pounds and does not exceed two hundred and eight pounds; $3.5 + \left(\frac{(R - 156) \times 175}{10000} \right)$ pence in each pound of the taxable income.

Where the rateable income exceeds two hundred and eight pounds and does not exceed two hundred and sixty pounds; $4.41 + \left(\frac{(R - 208) \times 5}{100} \right)$ pence in each pound of the taxable income.

Where the rateable income exceeds two hundred and sixty pounds and does not exceed four hundred and sixteen pounds; $7.01 + \left(\frac{(R - 260) \times 175}{10000} \right)$ pence in each pound of the taxable income.

Where the rateable income exceeds four hundred and sixteen pounds and does not exceed five hundred and twenty pounds; $9.74 + \left(\frac{(R - 416) \times 35}{1000} \right)$ pence in each pound of the taxable income.

Where

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Where the rateable income exceeds five hundred and twenty pounds and does not exceed two thousand pounds;	$13.38 + \left(\frac{(R - 520) \times 65}{10000} \right)$ pence in each pound of the taxable income.
Where the rateable income exceeds two thousand pounds and does not exceed four thousand five hundred pounds;	$23 + \left(\frac{(R - 2000)}{250} \right)$ pence in each pound of the taxable income.
Where the rateable income exceeds four thousand five hundred pounds and does not exceed six thousand five hundred pounds;	$33 + \left(\frac{(R - 4500)}{200} \right)$ pence in each pound of the taxable income.

2. Where the rateable income exceeds six thousand five hundred pounds the rate of tax in pence per pound of the taxable income shall be ascertained by adding the product of the multiplication of six thousand five hundred by forty-three to the product of the multiplication of the excess of the rateable income over six thousand five hundred by seventy and by dividing the sum of those products by the rateable income.

SECOND SCHEDULE.

Rate of Tax upon Income Derived from Property.

For the purposes of this Schedule

R=Rateable income in pounds.

1. Where the rateable income does not exceed five thousand two hundred and fifty pounds, the rate of tax per pound of the taxable income shall be—

Where the rateable income does not exceed one hundred and fifty-six pounds;	3.5 pence in each pound of the taxable income.
Where the rateable income exceeds one hundred and fifty-six pounds and does not exceed two hundred and eight pounds;	$3.5 + \left(\frac{(R - 156) \times 175}{10000} \right)$ pence in each pound of the taxable income.
Where the rateable income exceeds two hundred and eight pounds and does not exceed two hundred and sixty pounds;	$4.41 + \left(\frac{(R - 208) \times 5}{100} \right)$ pence in each pound of the taxable income.
Where the rateable income exceeds two hundred and sixty pounds and does not exceed four hundred and sixteen pounds;	$7.01 + \left(\frac{(R - 260) \times 24}{1000} \right)$ pence in each pound of the taxable income.

Where

Where the rateable income exceeds four hundred and sixteen pounds and does not exceed five hundred and twenty pounds;	$10.754 + \left(\frac{(R-416) \times 375}{10000} \right)$	No. 47, 1941.
	pence in each pound of the taxable income.	
Where the rateable income exceeds five hundred and twenty pounds and does not exceed two thousand pounds;	$14.654 + \left(\frac{(R-520) \times 9}{1000} \right)$	
	pence in each pound of the taxable income.	
Where the rateable income exceeds two thousand pounds and does not exceed five thousand two hundred and fifty pounds;	$27.974 + \left(\frac{(R-2000) \times 3}{500} \right)$	
	pence in each pound of the taxable income.	

2. Where the rateable income exceeds five thousand two hundred and fifty pounds the rate of tax in pence per pound of the taxable income shall be ascertained by adding the product of the multiplication of five thousand two hundred and fifty by forty-seven and four hundred and seventy-four thousandths to the product of the multiplication of the excess of the rateable income over five thousand two hundred and fifty by seventy and by dividing the sum of those products by the rateable income.

THIRD SCHEDULE.

Rate of Tax Payable in Respect of a Total Taxable Income, part being Income Derived from Personal Exertion and the remainder being Income Derived from Property.

- (a) The rate of tax per pound of the taxable income derived from personal exertion shall be the rate which would be payable under the First Schedule to this Act if the total taxable income of the taxpayer were income derived from personal exertion.
- (b) The rate of tax per pound of the taxable income derived from property shall be the rate which would be payable under the Second Schedule to this Act if the total taxable income of the taxpayer were income derived from property.

FOURTH SCHEDULE.

Rate of Tax upon Income Derived by a Primary Producer to whom the provisions of Division 18 of Part III of the Principal Act apply.

- (a) The rate of tax per pound of the taxable income derived from personal exertion by a primary producer to whose income Division 18 of Part III of the Principal Act applies shall be the rate which would be payable under the First Schedule to this Act if the total taxable income were income derived from personal exertion and the rateable income were equal to the average income.
- (b)

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- (b) The rate of tax per pound of the taxable income derived from property by a primary producer to whose income Division 18 of Part III of the Principal Act applies shall be the rate which would be payable under the Second Schedule to this Act if the total taxable income were income derived from property and the rateable income were equal to the average income.

FIFTH SCHEDULE.

Rate of Tax Payable by a Trustee.

The rate of tax per pound of the taxable income in respect of which a trustee is liable to be separately assessed and to pay tax, shall be the rate which would be payable—

- (a) where the trustee qua trustee is not a primary producer to whom the provisions of Division 18 of Part III of the Principal Act apply—under the First, Second or Third Schedule to this Act, as the case requires; and
(b) where the trustee qua trustee is a primary producer to whom the provisions of Division 18 of Part III of the Principal Act apply—under the Fourth Schedule to this Act,

if one individual were liable to be separately assessed and to pay tax on that taxable income.

SIXTH SCHEDULE.

Rates of Tax Payable by a Company.

1. The rate of tax per pound of the taxable income of a company shall, except as is hereinafter specifically provided, be—

- (a) where the company is a resident—thirty-six pence; and
(b) where the company is a non-resident—forty-two pence.

2. The rate of tax per pound of that part of the taxable income of a company in respect of which it is liable to pay further tax under the provisions of section one hundred and thirty-eight of the Principal Act shall be twelve pence.

3. The rate of tax per pound of the taxable income of every mutual life assurance company shall be eighteen pence.

4. The rate of tax per pound of the taxable income of a company (other than a mutual life assurance company) carrying on the business of life assurance in this State shall be—

- (a) In respect of 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 year of income amongst the life assurance policy holders of the company bears to the total profits of the company's life assurance business for the same year of income—eighteen pence.

(b)

(b) In respect of the remainder of the taxable income of the No. 47, 1941.
company—

- (i) where the company is a resident—thirty-six pence; and
- (ii) where the company is a non-resident—forty-two pence.

5. The rate of tax per pound of the interest or dividends in respect of which a company is liable to pay income tax under the provisions of section one hundred and sixty-nine of the Principal Act shall be—

- (a) in respect of so much of such interest and dividends as is paid or credited to any person other than a company who is a resident of Australia and who, during the year of income, is paid or credited with amounts of interest or dividends not exceeding in the aggregate two hundred pounds—six pence;
- (b) in respect of so much of the remainder of such interest or dividends as is paid or credited to any person other than a company—twelve pence; and
- (c) in respect of so much of such interest and dividends as is paid or credited to a company—forty-two pence.

6. The rate of tax per pound of the interest in respect of which a company is liable to pay income tax under the provisions of section one hundred and seventy of the Principal Act shall be twelve pence.
