

## INCOME TAX ASSESSMENT (NO. 2).

## No. 47 of 1915.

An Act to amend the *Income Tax Assessment Act 1915.*

[Assented to 15th November, 1915.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1.—(1.) This Act may be cited as the *Income Tax Assessment Act (No. 2) 1915.* short title and citation.

(2.) The *Income Tax Assessment Act 1915* is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Acts 1915.*

2. Section eleven of the Principal Act is amended—

(a) by omitting the word “and” between paragraphs (f) and (g); and

(b) by adding at the end thereof the following paragraph—  
“and (h) the official salaries of foreign consuls and the trade commissioners of any part of the British Dominions.”

Amendment of s. 11.

3. Section fourteen of the Principal Act is amended—

(a) by inserting in paragraph (b) thereof after the words “debenture-holder of a company” the words “which derives income from a source in Australia or of a company which is a shareholder in a company which derives income from a source in Australia”;

(b) by omitting from the proviso to paragraph (b) thereof the words “commencement of this Act” and inserting in their stead the words “first day of July One thousand nine hundred and fourteen”; and

Amendment of s. 14.

(c) by adding after the proviso to paragraph (b) the following new paragraph :—

“ Provided further that where a company derives income from a source in Australia and from a source outside Australia a taxpayer shall only be taxable on so much of the dividend as bears to the whole dividend the same proportion that the profits derived by the company from a source in Australia bears to the total profits of the company.

“ Provided also that amounts carried forward by a company to the credit of the profit and loss account shall not be deemed to be accumulated income.”

**Amendment  
of s. 15.**

4. Section fifteen of the Principal Act is amended—

(a) by adding at the end of sub-section (2.) thereof the words “ to the extent of the tax payable on goods sold by him after the thirtieth day of June One thousand nine hundred and fifteen ” ; and

(b) by adding at the end thereof the following sub-section:—

“ (3.) Goods shall be deemed to be sold in Australia on account of a person not resident in Australia, or on account of a company not registered in Australia, if any person in Australia receives a commission in respect of the sale of the goods or is paid a salary for obtaining orders for or for influencing the sale of the goods.”

5. After section seventeen of the Principal Act the following section is inserted :—

**Fire insurance  
companies.**

“ 17A. Where a fire insurance company carrying on business in Australia re-insures risks with a fire insurance company not carrying on business in Australia the income received by the company not carrying on business in Australia in respect of the re-insurances shall be deemed to be derived from a source in Australia, and the company carrying on business in Australia shall be deemed to be the agent of the company not carrying on business in Australia, so far as may be necessary for the purposes of this Act.”

**Amendment  
of s. 18.**

6. Section eighteen of the Principal Act is amended—

(a) by inserting in paragraph (a) after the word “ outgoings ” the words “ not being in the nature of losses and outgoings of capital ” ;

(b) by inserting in paragraph (b) after the word “ paid ” the words “ in Australia ” ;

(c) by inserting in paragraph (b) after the word “ received ” the words “ but not including any tax paid under this Act ” ;

- (*d*) by inserting in paragraph (*i*) after the words "on the shares of a company" the words "carrying on operations in Australia";
- (*e*) by inserting in paragraph (*i*) after the words "mining company" the words "carrying on operations in Australia";
- (*f*) by adding after paragraph (*j*) the following new paragraphs:—

"(*k*) The sum of Thirteen pounds in respect of each child, who is under the age of sixteen years at the beginning of the financial year in which the income was received, wholly maintained by any taxpayer who is not an absentee"; and

"(*l*) Sums paid by way of commission for collecting income."

- (*g*) by adding thereto the following sub-section:—

"(2.) The deductions specified in paragraph (*b*) of sub-section (1.) of this section, or being sums expended for repairs to or on any property from which rent is received shall be made from the income from property, and all other deductions allowed by this section shall be made from the income from personal exertion:

"Provided that if the income from either source does not amount to the sum to be deducted from that source, the balance of the sum to be deducted may be deducted from the income from the other source."

**7. Section nineteen of the Principal Act is amended—**

Amendment of  
s. 19.

- (*a*) by omitting the proviso to paragraph (*b*) and inserting in its stead the following proviso:—

"Provided that where the total of the sums so calculated to be deducted under paragraphs (*a*) and (*b*) of this section exceeds One hundred and fifty-six pounds, each of those sums shall be reduced by one-half of the excess."

- (*b*) by omitting therefrom paragraph (*c*); and
- (*c*) by omitting from sub-section (2.) thereof the word "total".

**8. Section twenty-seven of the Principal Act is amended—**

Amendment of  
s. 27.

- (*a*) by adding at the end of sub-section (1.) thereof the following proviso:—

"Provided that in the assessment of a partnership entered into before the commencement of this Act there shall be deducted from the total tax assessable to the partnership so much of the total tax as bears to the total tax the proportion which that part (if any) of the whole income which is distributed to the partners bears to the whole income."

(b) by adding after sub-section (2.) thereof the following sub-section :—

“(2A.) For the purposes of sub-section (2.) of this section income shall be deemed to be distributed if, in the opinion of the Commissioner, it is held by the trustee for the benefit of a beneficiary, who is a minor, or for the reasonable expenditure of the trust estate.”

(c) by omitting from sub-section (3.) thereof the words “to such of the beneficiaries as are taxpayers”, and inserting in their stead the words “to the beneficiaries”.

Amendment of  
s. 28.

9. Section twenty-eight of the Principal Act is amended by omitting sub-section (1.) thereof and inserting in its stead the following sub-section :—

“28.—(1.) For the purpose of assessment and levy of Income Tax every person who derived income from sources in Australia during the year beginning on the first day of July One thousand nine hundred and fourteen, and ending the thirtieth day of June One thousand nine hundred and fifteen, and during each successive year beginning on the first day of July shall, when called upon by the Commissioner by notice published in the *Gazette*, furnish to the Commissioner in the prescribed manner a return setting forth a full and complete statement of the income derived by him when—

(a) in the case of a person not an absentee, the total income from all sources in Australia exceeds the sum of One hundred and fifty-six pounds.

(b) in the case of an absentee, the total income from all sources in Australia exceeds the sum of One pound.”

10. After section forty-six of the Principal Act the following section is inserted :—

Taxpayer  
dying before  
furnishing  
return.

“46A.—(1.) Where a taxpayer dies on or after the first day of July in any year, and before furnishing a return of his income for the preceding year, his executors or administrators shall furnish a return of the income derived by such deceased taxpayer during the said preceding year and shall be assessable in respect thereof and shall be chargeable with and pay tax thereon.

(2.) Where the executors or administrators are unable or fail so to furnish a return of such income the Commissioner may estimate same at and may make an assessment of the amount of which in his judgment tax ought to be charged.”

Commencement  
of Act.

11. This Act shall be deemed to have commenced on the same day as the Principal Act.