

STATUTORY RULES.

1923. No. 177.

REGULATIONS UNDER THE INCOME TAX ASSESSMENT ACT 1922-1923.

THE GOVERNOR-GENERAL in and over the Commonwealth of Australia, acting with the advice of the Federal Executive Council, hereby make the following Regulations under the *Income Tax Assessment Act 1922-1923* to come into operation forthwith.

Dated this twenty-first day of November, 1923.

FORSTER,
Governor-General.

By His Excellency's Command,
THOS. W. CRAWFORD,
for Treasurer.

AMENDMENT OF THE INCOME TAX REGULATIONS 1922.

(Statutory Rules 1923, No. 12.)

1. Regulation 2 of the *Income Tax Regulations 1922* is amended by inserting therein after the words "Part IV A.—Appeals to High Court under section 51 of the Act" the words "Part IV B.—References to an Income Tax Board of Appeal."

2. Regulation 3 of the *Income Tax Regulations 1922* is amended by inserting after the figures "1922" the sign and figures "-1923".

3. Regulation 6 of the *Income Tax Regulations* is amended—

(a) by omitting paragraph (b) and inserting the following new paragraph in its stead:—

"(b) A statement showing—

"(i) the names and addresses of all shareholders to whom dividends or profits were credited, paid or distributed during the twelve months preceding the financial year for which income tax is payable; and

"(ii) the amount (if any) of profits credited, paid or distributed to each shareholder during the twelve months preceding the financial year for which income tax is payable, whether or not the period covered by the company's return differs from such financial year;"

(b) by omitting sub-paragraph (i) of paragraph (c) thereof;

(c) by omitting from sub-paragraph (i) of paragraph (d) thereof the words "or dividends distributed" and inserting in their stead the words "paid or credited";

(d) by omitting from sub-paragraph (i) of paragraph (d) thereof the words "or share stock";

(e) by omitting from sub-paragraph (ii) of paragraph (d) thereof the words "or share stock";

(f) by omitting from sub-paragraph (ii) of paragraph (d) thereof the words "or dividend distributed" and inserting in their stead the words "paid or credited"; and

(g) by inserting in sub-paragraph (ii) of paragraph (d) thereof, before the word "return" the word "company's".

C.16939.—PRICE 8D.

4. The *Income Tax Regulations* 1922 are amended by inserting therein after Part IVA. the following Part and Section :—

“ PART IVB.—REFERENCES TO AN INCOME TAX BOARD OF APPEAL.”

References. “ 38E. (1) A taxpayer who desires that his case shall be referred to a Board of Appeal shall forward to the Commissioner a written request to that effect within thirty days after service by post of notice of the decision of the Commissioner, or from the commencement of this Regulation (whichever last happens), stating fully and in detail the grounds on which he relies.

(2) The Commissioner shall, if a written request is received by him within the time fixed by the last preceding sub-regulation, refer the case to a Board of Appeal not later than sixty days after the receipt by him of the request.

(3) A taxpayer shall be limited on the hearing of his case by a Board of Appeal to the grounds stated in his written request to the Commissioner.”

5. Regulation 48 of the *Income Tax Regulations* 1922 is amended by omitting the word and figures “ section 67 ” and inserting in their stead the word and figures “ section 66 ”.

6. Regulation 50 of the *Income Tax Regulations* 1922 is repealed and the following Regulation inserted in its stead :—

Live stock. “ 50 (1) For the purpose of sub-paragraph (ii) of paragraph (a) of Section 16 of the Act, the limits within which a taxpayer may select the cost price in relation to the natural increase of the various species of live stock shall be as set forth in Table III. in the schedule.

(2) For the purpose of paragraph (aa) of Section 16 of the Act, the notice of election shall be in the following form :—

Commonwealth of Australia.

Income Tax Assessment Act 1922-1923.

NOTICE OF ELECTION UNDER SECTION 16 (aa).

I, _____ of _____ in the State of _____ hereby elect to omit from the account required by paragraph (a) of Section 16 of the above Act, the value of all natural increase of the live stock owned by me and born during the year to which the account relates.

Dated this _____ day of _____ 192_____
Signature.

(3) The notice of election shall be delivered at the office of the Commissioner :—

(a) in the case of persons lodging returns during the year 1923, on or before the thirty-first day of December, 1923 ;

(b) in the case of persons who have not lodged returns during the year 1923—

within three months of the date of the first lodging of a return after the thirty-first day of December, 1923.”

7. Regulation 52 of the *Income Tax Regulations* 1922 is amended by omitting the word and figures “ Section 99 ” and inserting in their stead the word and figures “ Section 97.”

8. The schedule to the *Income Tax Regulations* is amended :—

(a) By omitting the first form and inserting the following form in its stead :—

THE SCHEDULE.

First Form.

Taxation Office Stamp only.

Affix full postage and send this Return to the Deputy Federal Commissioner of Taxation, Box 769, G.P.O., Melbourne.

[Write Plainly.]

FEDERAL INCOME TAX.

File No.

RETURN OF INCOME DERIVED FROM ALL SOURCES IN AUSTRALIA AND PAPUA DURING THE TWELVE MONTHS FROM 1ST JULY TO 30TH JUNE.

Name in full of Person (Mr., Mrs., or Miss). Partnership, or Trust Estate, for whom Return is made	Surname.	Christian Names.
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(Write plainly, and write name in block type—example : JONES, JOHN.)

Occupation.....Residing at.....
(State actual nature of business—Merchant, Manufacturer, &c., is not sufficient.) (Full residential address)

Postal Address for service of Notices.....
(You are required to notify to the Deputy-Commissioner any change of address for service of notices, &c.)

If Return is made by an Agent for a Principal or a Trustee for a Trust Estate state full name and address of Agent or Trustee -

Last Return Lodged at Federal Taxation Office at*.....
Here state Capital City.)

Last Reference No..... my postal address on that date being.....
(Here quote File No. on last Assessment Notice.) *If lodged in Melbourne, state whether furnished to P.O. Buildings, or Elizabeth House.

PART A.—INCOME FROM PERSONAL EXERCITION (WHEN PART C OR D UNSUITABLE).

1. Salary, wages, stipend, bonuses, and overtime as employee of.....
2. Value of quarters, board, travelling and sustenance allowances, &c., allowed to me by employer (attach list) ..
3. Rental value to me of premises provided by my employer and used by me for purposes of residence ..
4. Share in partnership of.....
(*Vide* Partnership Return lodged with the Deputy Federal Commissioner of Taxation at.....)
5. Income as beneficiary under will, settlement, deed of gift, or instrument of trust of.....
(if trust income is from personal exertion (*vide* Trust Return lodged with the Deputy Federal Commissioner of Taxation at.....))
6. Fees, commissions (attach list). Professional income to be shown at Item 33, Part C ..
7. Pension (not being a War Pension), superannuation, or retiring allowance ..
8. Five per centum of retiring allowance or gratuity received in a lump sum. (Total amount received, £.....)
9. Profits from sales of land purchased for re-sale (attach full particulars) ..

Total Income .. £

Deductions.

(Unless lists as specified hereunder are attached in support of claims for deductions such deductions may be disallowed, wholly or in part.)

10. Interest (other than interest on mortgage secured on my own home) actually paid on borrowed money tothe principal sum being employed for the following purposes:—
.....of.....
11. Sums paid by way of commission for collecting income paid to
12. Any other deductions (attach list)
13. Amount actually paid for fidelity guarantee or bond or premiums or sums paid by me to
Company on the insurance effected in Australia of my own life or that of my wife or children, or for
deferred annuity or other similar provision. (Note.—Maximum amount allowable is £50) ..
14. Payments to a superannuation, sustenance, or widows' or orphans' fund, or any friendly society in
Australia (contributions to a trade union not allowed by the law). (Name of Society.....)
15. Gifts exceeding £5 each to public charitable institutions in Australia. Deductions under this head will
not be allowed unless verification in the nature of receipts, cheque butts, &c., is submitted...
16. Deduction of £50 for each child under 16 years of age at 1st July, .., wholly maintained by me. Give
full particulars in Statement No. 6. A proportionate amount will be allowed in respect of a child born
between 1/7/ and 30/6/ ..
17. State Income Tax paid in respect of personal exertion income ..

Total Deductions .. £

Net Income from Personal Exertion .. £

Office only,
£

£

This return should be lodged before 31st August.—Please read Instructions

PART B.—INCOME FROM PROPERTY.

18. Gross rents—including rent from subletting (attach list)	.....	£
19. Share in partnership of.....(where partnership income is from property) (Vide Partnership Return lodged with the Deputy Federal Commissioner of Taxation at.....)	.....	£
20. Dividends, interest, &c., received by or credited to me, as per Statements 7 and 8	.....	£
21. Annuities, royalties, bonuses in the nature of royalties, tributes, licences, &c., and premiums, fines, or foregifts received in connexion with leases (attach list)	.....	£
22. Income as beneficiary under will, settlement, deed of gift, or instrument of trust of..... (if the trust income is from property, vide Trust Return lodged with the Deputy Federal Commissioner of Taxation at.....)	.....	£
23. Profits from sales or assignments of leases (details to be attached)	.....	£
Total Income .....	.....	£

Deductions.

24. Rates and taxes, &c., not charged to a business, as per list attached (but not including Federal Income Tax) (State Income Tax paid in respect of personal exertion income and property income to be shown against Items 17 and 25 respectively)	.....	£
25. State Income Tax paid in respect of property income	.....	£
26. Repairs (not including alterations, additions, or improvements) to properties from which rent is received (attach list)	.....	£
27. Fire and burglary insurance premiums paid on income-producing property (attach list)	.....	£
28. Interest paid to.....of.....on borrowed money used to produce income from property	.....	£
29. Commission paid to.....of.....for collection of income from property	.....	£
30. Rent paid to.....for property from which rent is received	.....	£
31. Calls paid out of income to Australian mining companies and mining syndicates mining for gold, silver, base metals, rare metals or oil, and companies carrying on a forestation as their principal business (attach list)	.....	£
32. Any other deductions (attach list)	.....	£
Total Deductions .....	.....	£
Net Income from Property .....	.....	£

If no previous Returns have been lodged, please give reasons.

Declaration.

I, the person making this Return, declare that the particulars shown therein, both in this and the succeeding pages, and also those stated in the Forms, Balance-sheets, Documents, and Lists herewith, are true and correct in every particular, and disclose without reservation or exception a true and complete statement of all Income liable to taxation derived from all sources in Australia and Papua by.....during the year 1st July to 30th June.*

* If the accounts of the business have been made up for any other period, alter this declaration accordingly. Initial the alteration.

Dated this.....day of

(Sign here.)

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Usual Signature.....

This Declaration should, if possible, be signed by all individual taxpayers personally.

PART C.—INCOME FROM A TRADE, BUSINESS, MANUFACTURE, OR CONCERN NOT SHOWN IN
PARTS A OR B.

(Attach Balance-sheet and Trading and Profit and Loss Account.)

	£	Office only. £
33. Gross Income from Profession.....		
Nature of Business.....		
(Other than Professions)		
34. Gross Sales—cash and credit—for the year ended 30/6/ . If sales are cash only strike out "credit"		
35. Stock and materials on hand, 30/6/ (not including plant and fixtures), at cost or replacement price or market selling value. All amounts written off, cost of stock, and basis of values to be disclosed ..		
36. Value of goods (not included in sales) taken from stock and used :—		
(a) for maintenance of self, family, and employees		
(b) for other purposes, or used in carrying on the business		
(c) used as plant or for additions to buildings, &c.		
Total	£	
Deduct—		
37. Stock and materials (not including plant and fixtures) on hand, 30/6/ £.....		
38. Net purchases for business only of stock during year ended 30/6/ £.....		
Total of 37 and 38		
Net amount	£	
Add—		
39. Income from commissions, discounts, rebates, sundry credits and bad debts recovered		
40. Income from other business sources (attach list)		
41. Proportion of rent paid for that part of rented business premises used as a residence		
Total Income	£	

PART D.—INCOME OF FARMER, PASTORALIST, OR HORTICULTURIST NOT SHOWN IN PARTS A. OR B.

Nature of Business	£	Office only. £
42. Gross Sales—Cash and Credit—for Year ended 30/6/ —If sales are cash only, strike out "credit"—		
(a) Wool £..... skins and hides £.....		
(b) Tallow, &c., £.....		
(c) Meat, poultry, &c.		
(d) Milk, cream, butter, cheese, eggs, &c.		
(e) { Wheat (Total from Statement No. 2)		
{ Other Grain, hay, fodder, potatoes, &c.		
(f) Timber, firewood, bark, &c.		
(g) Wine, fruit, vegetables, &c.		
(h) Cotton		
(i) Other receipts from farm, station, or orchard		
43. Total Value of Column B, Live Stock Schedule		
44. Value of stock and produce given in exchange for goods, provisions, &c.		
45. Value of milk, butter, eggs, and vegetables, &c., taken from the business for household use and sustenance of employees		
46. Value on hand at 30/6/ of—		
(a) Farm and orchard produce		
(b) Wool £....., skins, hides, &c., £.....		
47. Gross amount earned from contracts, cartage, or any other work		
48. Income from other business sources (attach list). This should include any produce given away, or milk, cream, &c., given to members of family or sold in their names		
49. Proportion of rent paid for that part of rented business premises used as a residence		
Total	£	
Less—		
50. (a) Value on hand at 1/7/ of—	£	
(1) Farm and orchard produce £.....		
(2) Wool £....., skins, hides, &c., £.....		
(b) Purchases during year ended 30/6/ for business purposes, of the following :—		
(1) Seed, plants, &c., for resale		
(2) Fodder		
(3) Fertilizers and sprays		
(c) Stock, &c., received in exchange for produce, &c. (attach list)		
51. Total Value of Column A, Live Stock Schedule	£	
Total Income	£	

STATEMENT NO. 2.—WHEAT.

Number of Bushels placed in the "Pool" Bushels.

(a) Statement of Cash Received from Pool during year 1st July, to 30th June,		(c) Statement of Wheat Scrip Sold during year 1st July,, to 30th June,			
Wheat—	£	Date Sold.	No. of Bushels Sold.	Which Year's Scrip.	Cash Received.
Advances from 1915-16 Pool				
" " 1916-17 "				£
" " 1917-18 "				
" " 1918-19 "				
" " 1919-20 "				
" " 1920-21 "				
" " 1921-22 "				
" " 1922-23 "				
(b) Wheat sales other than through "Pools"				
Total (a) and (b)	£.....				
				Total of Sales	£.....
				Total of (a), (b), and (c) carried to Item 42 (e)	£.....

STATEMENT NO. 3.—SHARE FARMING.

(To be furnished by the person responsible for the distribution.)

Net Profit (as per details attached) .. £.....

Distribution.

Name in full of each Person participating.	Address.	Total net Value of Share.	Actual Cash Received.	Value of Distribution in Kind.	Value of Produce on hand 30/6/.
		£	£	£	£

STATEMENT NO. 4.—STATEMENT OF SALARIES AND WAGES PAID AND ALLOWANCES TO EMPLOYEES.

This statement should show the actual amount paid during the period 1/7/..... to 30/6/....., even though the return is made up for a different period.

If the space is not sufficient to contain all the names, special sheets may be obtained from the Department of Taxation.

Payments to any one person at a rate less than £200 per annum need not be shown.

See Special Instruction Sheet re payments from husband to wife and wife to husband, and wages not actually paid.

Employee's Christian Name in full and Surname.	In what Capacity employed.	Place of Residence.	If not employed for whole period, state period employed.	Rate of Pay.	Total Amount of Salary or Wages paid to each in year ended 30/6/...	Value of Board, Residence, or other Allowance to each in year ended 30/6/...	
						Quarters.	Board.

STATEMENT NO. 5.—STATEMENT BY TRUSTEE OR PARTNERSHIP.

This portion of the return is for the information of the Taxation Department only. Trustees are not taxable except on income to which no one is presently entitled, or on income held on account of a person who is under a legal disability. The partnership return is not taxable. Partners are taxable on their full share of the profits including any disallowance or additions made by the Department.

Name in full of each Partner or Beneficiary.	Residence.	Proportionate share of Income to which each Partner is entitled, or which is distributable to each Beneficiary.	Amount of each share.	Is the Beneficiary under any legal disability (Yes or No).

STATEMENT No. 6.—DEDUCTIONS CLAIMED IN RESPECT OF CHILDREN UNDER 16 YEARS OF AGE AT 1st JULY, (OR BORN SINCE THAT DATE), WHOLLY MAINTAINED BY TAXPAYER.

Name of Child.	Date of Birth.	If not maintained during the whole of the year ended 30.6... state for what period.	If not wholly dependent, state in what other way partly maintained.

No deduction is allowable in respect of any child who earned income during the year. Where a child under 16 is maintained for part of the year only a proportionate deduction is allowable.

STATEMENT No. 7.—DIVIDENDS FROM COMPANIES IN ALL STATES, INCLUDING SHARES DISTRIBUTED AS BONUS SHARES OUT OF CURRENT PROFITS.

Name of Company.	Address.	\$ Amount.	Office use only. Net amount after allowing rebate.	Name of Company.	Address.	* Amount.	Office use only. Net amount after allowing rebate.
		\$	\$			\$	\$

* The gross amount of dividends must be shown. Any rebates allowable on account of income having been earned by the Company outside Australia will be calculated and deducted by the Department. Carry total amount from this Statement to Item 20.

FEDERAL INCOME TAX.

INSTRUCTIONS TO PERSONS MAKING RETURNS.

Omission of any Income from a Return or Claims for Deductions in excess of amounts expended will render the Taxpayer liable to a penalty of £1 or Double the Tax Evaded by the Omission or Excessive Deduction.

[If this is your first Return, send accompanying letter explaining why returns have not been furnished previously.]

RETURNS.

(i) *The following persons are liable to render an Income Tax Return for the 12 months ended 30th June, :—*

- (a) *All Persons, resident in Australia, in receipt of a gross income exceeding £200.*
- (b) *Companies and Absentees having an income of £1 or upwards.*

(ii) It is necessary to complete the Return, sign the declaration, and deliver or forward the Return to the Deputy Federal Commissioner of Taxation, Box 769, G.P.O., Melbourne. *(There is a special Form of Return for Companies.)*

(iii) *Full postage must be prepaid on all returns, &c., posted by taxpayers.*

(iv) *Partners' Returns.*—The senior resident partner should make a return for the partnership. Each partner must also make a separate return of his income from all sources, including his interest in the partnership profits. Tributers, woodcutting and mining parties are treated as partnerships.

(v) *Returned Soldiers* are not liable to taxation in respect of war pensions and gratuity bonds.

You are required to notify to the Deputy Commissioner any change of address for service of Notices, &c.

The amount of salary or wages received should be ascertained from the employer(s) and in all cases the name of the employer(s) must be stated in the Form of Return.

TRUSTEES AND BENEFICIARIES IN TRUST ESTATES.

(vi) The senior or active trustee should make the Return and Statement. Each beneficiary must also make a separate individual Return which if he has no other source of income should be attached to, and lodged with, the trustee's return wherever possible.

INCOME.

(vii) *Any benefits in addition to or as part of salary, wages, &c., such as board or board and lodging, or any bonus or commission, are income, and their value must be stated.*

(viii) *Value of Portion of Trade Premises used for Domestic Purposes.*—Where rent is paid, generally, the proportion of the rent paid which is attributable to domestic purposes cannot be deducted. The proportions attributable to domestic purposes are usually—(a) for storekeepers, grocers, and other similar trades, one-half; (b) hotelkeepers and lodginghouse-keepers, one fourth; and (c) doctors, chemists, &c., two thirds. Where these proportions seem to the taxpayer too high, state what amount you consider a fair proportion, and the grounds upon which you arrive at such amount.

(ix) *Dividends, Interest, and Bonuses.*—These must be included in the Return of the person receiving them (Item 20).

(x) *War Loans.*—Interest received from all War Loans paying more than 4½ per cent. interest must be included in the Return of the person receiving it (Statement 8).

FARMERS AND GRAZIERS.

(xi) *Income earned in Pastoral and Agricultural Industries, such as farming, grazing, dairying, vine-growing, fruit growing, or market gardening, should be returned in Part D of the Form of Return.*

Bawra Shares and Certificates were treated as income at date of receipt at their then market value. There is thus no occasion for original holders to show anything in the Return form in respect of moneys received in retirement of Certificates and Shares. Persons dealing in Shares or Certificates must show the transactions fully.

LAND TRANSACTIONS (ITEM 9).

(xii) Under decisions of the Courts, a partnership, syndicate, company, or individual that purchases land for resale is deemed to carry on a business in the purchase and sale of land, and must include as income profit made on such transactions—which is taxable at personal exertion rates. Conversely, if a loss is made, the amount thereof is allowable as a deduction.

LIVE STOCK ON HAND AT BEGINNING AND END OF YEAR.

Values to be included in Return.

(a) *As at 1st July,*

The values for live stock on hand at 1st July, , should be the values shown in the Income Tax Assessment for last year as the values of the stock on hand at 30th June.

(b) *Stock on hand at 30th June,*

Taxpayers have two choices, and must in all future years adhere to the choice they elect to make :-

1. They may omit, until sold or otherwise disposed of, all the natural increase of their stock which was born between 1st July, , and 30th June, , or during a business trading year which the taxpayer may have arranged with the Department in lieu of the year ending 30th June, . The remainder of the live stock on hand at the end of the year must be shown :-

(a) *for stock purchased during the year—at cost price or market value, whichever the taxpayer prefers.*

(b) *for stock carried forward in the accounts from the previous year—average price per head at which they were so carried forward, or the market selling price, whichever the taxpayer prefers.*

2. *Where the natural increase is included each year.*

The stock should be dealt with as in 1 (a) and (b) above in regard to the old stock and stock purchased during the year. The natural increase should be brought to account at cost or market value, whichever is the lesser.

“Cost” for natural increase is the price selected by the owner within the prescribed limits stated below. It should not be less than the minimum or more than the maximum price shown.

When the cost is once selected it must be adhered to for all future years. Compare the selected cost with the market selling value, and use whichever value is preferred as the value of the natural increase on hand at the end of the year.

Prescribed Limits for Cost Price :-

	Minimum.	Maximum.
	s. d.	s. d.
Sheep	2 6	10 0
Cattle	10 0	100 0
Horses	15 0	60 0
Pigs	5 0	20 0

3. *“Killed for Rations.”*

If the live-stock owner has elected to exclude his natural increase until it is sold, he must include in the value of stock killed for rations, any natural increase so killed and used.

The value at which stock killed and used for rations should be returned is the value at which the particular stock was included in either the stock on hand at 1st July, , or if purchased after that date, the purchase price of the particular stock in question.

Where natural increase of the year has been killed and used for rations, the value to be returned for it is the cost price or market value, whichever the taxpayer prefers.

“Cost price” is as stated above under the heading “Prescribed limits for Cost Price.”

4. The Taxpayer must indicate on the detachable portion of this form of “Instructions” the method he wishes to adopt in regard to the taxation of natural increase, and the cost price he selects if he desires to include the natural increase as stock on hand.

The detachable portion of the form should be filled in, detached, and forwarded with the Return form to the Commissioner of Taxation.

NORTHERN TERRITORY.

Income derived from primary production in the Territory by persons resident there is exempt from taxation until 1927.

“Primary production” in this regard means production arising directly from cultivation, maintenance of animals or poultry, mining, or fisheries, and

“Income derived from primary production” means income which is directly derived in the first place from primary production.

VALUES OF OTHER TRADING STOCK.

(xiii) The value of all trading stock not disposed of at the beginning and end of the period covered by the return must be included. Section 16 (a) (ii) provides that the assessable income of any person shall include profits derived from any trade or business and converted into stock in trade, or added to the capital of, or in any way invested in, the trade or business :

Provided that, for the purpose of computing such profits, the value of trading stock (not being live stock) not disposed of at the beginning and end of the period in which the income was derived shall be taken into account.

Value for this purpose means, in the case of trading stock (not being live stock) the actual cost price or market selling value of each article of trading stock, or the price at which each article of trading stock can be replaced at the option of the taxpayer in respect of each article.

GENERAL.

(xiv) *Professional Income*.—This should be stated in Part C, and may also be shown in detail by a separate statement. Doctors, barristers, solicitors, &c., may show the actual receipts and allowable disbursements in year ended 30/6/. The details of disbursements must be supplied.

RELIEF FROM TAX.

(xv) Section 95 of the *Income Tax Assessment Act 1922-1923* reads :—

1. “In any case where it is shown to the satisfaction of a Board consisting of the Commissioner, the Secretary to the Treasury, and the Comptroller-General of Customs—

(a) that a taxpayer liable to pay income tax has become bankrupt or insolvent ;
or

(b) that a taxpayer has suffered such a loss, or is in such circumstances or owing to the death of a person who, if he had lived, would have paid tax, the dependants of that person are in such circumstances that the exaction of the full amount of tax will entail serious hardship,

the Board may release the taxpayer or the executor or administrator of the deceased person (as the case may be) wholly or in part from his liability, and the Commissioner may make such entries and alterations in the assessment as are necessary for that purpose.

2. The Commissioner shall be Chairman of the Board, and the decision of the majority shall prevail.

All applications for relief from tax under this section should be submitted to the office from which the Notice of Assessment issued.

(xvi) Officers of the Department will not be permitted to fill up Returns. This responsibility rests entirely upon taxpayers. All necessary information will be given on application at the office of the Commissioner or Deputy Commissioner.

(xvii) *Income earned in a Trade or Business*.—Trade income should be returned for the year ended 30th June, Where permission has been obtained to lodge a Return covering a period not ending on 30th June, the necessary alterations should be made in the Form of Return to indicate clearly the period for which the return is made.

(xviii) *Benefits or Advantages*.—Hotelkeepers, lodginghouse-keepers, boarding school proprietors, storckcepers, tradesmen, and others whose household expenses (*including board of themselves and families and the maintenance of their domestic establishments*) are not kept distinct from their trade or business expenditure should insert as income an amount equal to the cost of the goods taken from stock for private use.

(xix) The taxpayer must include his income from all sources in one Return.

(xx) The particulars of income should be fully stated. If there is not sufficient room in the Form of Return, a list or statement should be attached.

ALLOWABLE DEDUCTIONS.

(xxi) The allowable deductions are shown in the Return in Parts A, B, C, and D.

(xxii) A deduction allowable of a sinking fund to recoup a fine, premium, or foregift, or a consideration in the nature of a fine, premium, or foregift paid in connexion with a lease or the transfer of a lease is calculated by dividing the amount paid by the number of years of the unexpired period of the lease at the date when the payment was made.

(xxiii) In case of any doubt the facts should be laid before the Commissioner or Deputy Commissioner, and a decision as to the allowance of the items should be asked for.

(xxiv) Section 23 (2) provides that any deduction allowed under the Act shall be deducted from the class of income to which it relates. The following are exceptions to this rule, and are deductible from personal exertion or property income, whichever is the greater, viz. :—

- (1) Premiums for life insurance, deferred annuity, fidelity guarantee, or bond.
- (2) Payments to superannuation, sustentation, widows' or orphans' fund, or any friendly society in the Commonwealth.
- (3) Gifts to charitable institutions.
- (4) Deductions on account of children.

EXPENSES NOT ALLOWED AS DEDUCTIONS.

(xxv)

- (a) Additions or alterations to trade or other income-earning premises.
- (b) Additions to plant and machinery (except in mining businesses under certain conditions).
- (c) Any domestic expenditure, or the cost of living of members of taxpayer's family not exclusively engaged in the business or who are engaged in domestic duties.
- (d) Cost of sewerage connexions.
- (e) Cost of travelling between the taxpayer's private residence and place of business.
- (f) Depreciation of buildings, leaseholds, or land and improvements (except of covenanted improvements on leasehold land in which improvements the lessee has no tenant rights) or any depreciation of a kind that may be made good by repairs.
- (g) Depreciation of goodwill.
- (h) Doubtful debts.
- (i) Expenditure incurred to protect income.
- (j) Federal Income Tax.
- (k) Insurance (fire or burglary) on household furniture or personal effects.
- (l) Interest not actually paid in year ended 30/6/ .
- (m) Interest paid on money which is not used to produce income.
- (n) Losses by fire, accident, robbery, or embezzlement.
- (o) Losses incurred in any previous year.
- (p) Losses not connected with or arising out of the taxpayer's trade or business.
- (q) Purchase Money paid except for trading stock.
- (r) Payments from husband to wife or from wife to husband, unless the Commissioner is satisfied that the payments have been made *bonâ fide* in the course of business and for services rendered.
- (s) Premiums on insurances effected outside Australia.
- (t) Rent of private residence.
- (u) Rent on trade premises not actually paid in year ended 30/6/
- (v) Repayment of moneys borrowed, including amounts of principal included in annual payments on loans.
- (w) Wages not actually paid.
- (x) Wages to persons not employed in the trade or business.

GENERAL DIRECTIONS.

(xxvi) A copy of the Return, as well as all books, accounts, memoranda, and all data from which the Return is made up, should be preserved for future reference in the event of further information being required by the Commissioner or the Deputy Commissioner. The Department will not supply taxpayers with a copy of their Returns except in special circumstances.

Special Instructions.

(xxvii) Wherever deductions are claimed on account of any item in respect of which the form calls for a detailed list, such list must be attached to the Return. Compliance with this direction will save the taxpayer much correspondence and irritation.

Separate lists are required of—

1. Charitable contributions. Verification thereof, such as receipts, cheque butts, &c., must also be attached.
2. Calls in mining companies.
3. Fire and burglary insurance premiums.
4. Children. (Statement 6 of Return.)
5. Rates and taxes.
6. Repairs.
7. Depreciation (items, values, and rates of depreciation).
8. Bad debts (written off). Dates incurred and amounts.
 "Date Incurred" means—
 (a) In the case of a single transaction—the date of the last payment on account, or if there is no payment, the date of the transaction.
- (b) Where the balance due is the result of a series of transactions,—as in (a), but may be extended to the date of the last purchase subsequent to the last payment on account.
- (c) Where the Commissioner is satisfied that by some catastrophe a debt previously good has been made bad, the date of the catastrophe.
- (d) In the case of dishonoured bills, the date when dishonoured.
9. Contributions to benefit funds.
10. Wages paid to employees. This list must be compiled in accordance with the heading set out in Statement 4 of the Form of Return.
11. Other business expenses.

Returns must be lodged on or before—

Commissioner of Taxation.

[Detachable Portion.]

No.....

FEDERAL INCOME TAX.

METHOD OF VALUING NATURAL INCREASE, LIVE STOCK.

This portion of the form must be filled in by all owners of live stock who desire to omit from their Returns all natural increase until it has been sold or otherwise disposed of.

Commonwealth of Australia.

Income Tax Assessment Act 1922-1923.

NOTICE OF ELECTION UNDER SECTION 16 (aa).

I, of in the State of hereby elect to omit from the account required by paragraph (a) of Section 16 of the above Act the value of all natural increase of the live stock owned by me and born during the year to which the account relates.

DATED this.....day of192

Signature.

"(a) The notice of election shall be delivered at the office of the Commissioner—
 (a) in the case of persons lodging Returns during the year 1923, on or before the thirty-first day of December, 1923 ;
 (b) in the case of persons who have not lodged Returns during the year 1923—within three months of the date of the first lodging of a Return after the thirty-first day of December, 1923."

Live stock owners who do not wish to omit the natural increase need not use the upper part of this form, but should state below the cost price selected by him for the natural increase of each species of live stock (for example, lambs, calves, &c.) owned by him :—

LAMBS	..	..	(Cost price to be not less
CALVES	..	..	than minimum or greater
FOALS	..	..	than maximum prices shown
SUCKERS	..	..	in the instructions.)

(b) By omitting the second form and inserting the following form in its stead:—

<p>PREPAY POSTAGE. Send this Return to the Deputy Federal Commissioner of Taxation, Box 769, G.P.O., Melbourne.</p>	<p><i>Second Form.</i> FEDERAL INCOME TAX Commonwealth of Australia.</p>	<p>Taxation Office Stamp Only. File No. .</p>
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COMPANIES DERIVING INCOME IN AUSTRALIA AND PAPUA.

RETURN OF INCOME derived from all sources in Australia and Papua during the period 1st July,, to 30th June,,* or..... to.....

* If approval has been obtained to submit return for any other period, specify the period.

Name of Company.....

Name in full of Public Officer.....

Every Company must appoint a Public Officer, and notify the Deputy Commissioner accordingly, specifying the name of the Officer and address for service. Penalty, £50 for every day during which failure or neglect continues (*vide* Sec. 88).

Nature of Business.....

Postal Address for service of Notices.....

Gross Profit—as per attached audited Profit and Loss Account ..	£
Deductions—as per attached audited Profit and Loss Account ..	£
Net Profit for the year	£

Reconciliation Statement.

Net Profit—as per Profit and Loss Account	£
Add items not allowable as Deductions:—	
Federal Income Tax.....	£
.....	
.....	
.....	£
Net assessable Income	£
Less amount distributed to Shareholders out of the profits of the period covered by this return	£

Date of declaration of Dividend.....

Date of payment of Dividend.....

Net Taxable Income	£
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The Gross Profit includes:—

(a) Taxable War Loan Interest	£
(b) Exempt $4\frac{1}{2}$ per cent. War Loan Interest and Interest on War Gratuity Bonds	£
(c) Other Exempt Income (as per List)	£

Return must be accompanied by audited Trading Account, Profit and Loss Account, Appropriation Account, Balance-sheet, and Lists in support of the following deductions:—

Subscriptions, donations, bad debts (showing names of debtors, dates incurred, nature of debts, amounts and dates written off, and reason for writing off), depreciation (giving basis on which depreciation is claimed), and any deductions covered by general headings (unless lists are attached in support of claims for deductions, such deductions will be disallowed); also—

- (a) a list of resident shareholders, showing names and addresses and amounts paid to each during twelve months ended 30th June,
- (b) the total dividends paid or credited to absentee members, shareholders, or stockholders out of the profits of the period covered by this Return;
- (c) a list of names and addresses of any individual absentees who received or were credited with dividends and interest exceeding a total of £722 during twelve months ended 30/6/.....;

- (d) the total interest paid or credited to absentee depositors and debenture holders during the period covered by this Return ;
- (e) the total interest paid or credited to residents of Australia in respect of bearer debentures or share stock payable to bearer out of the profits covered by this Return ;
- (f) list of names and addresses of persons to whom interest in excess of £50 has been paid or credited during twelve months ended 30/6/..... ;
- (g) a list of salaries and wages and allowances (inclusive of value of quarters and board supplied) paid to employees whose total remuneration as stated amounted to £200 or over for the twelve months ending 30th June,

Declaration.

I, being the duly appointed Officer of the above Company, declare that the particulars shown therein, and also those stated in the Forms, Balance-sheets, Documents, and Lists herewith, are true in every particular, and disclose without reservation or exception a true statement of all Income liable to taxation derived from all sources in Australia and Papua by.....during the year ended.....

Dated this.....day of....., 192...

Usual Signature of Public Officer.....

- (c) By inserting in the third form after the words and figures "*Income Tax Assessment Act 1922*" the sign and figures "-1923"
- (d) By omitting the word and figures "sec. 19" in the third form and inserting in their stead the word and figures "Section 24."