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# INCOME TAX ASSESSMENT.

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No. 32 of 1927.

An Act to amend the *Income Tax Assessment Act* 1922-1925, and for other purposes.

[Assented to 22nd December, 1927.]

**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 :—

Short title  
and citation.

1.—(1.) This Act may be cited as the *Income Tax Assessment Act* 1927.

(2.) The *Income Tax Assessment Act* 1922-1925\* 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 Act* 1922-1927.

Amendment  
of s. 2.

2. Section two of the Principal Act is amended by inserting before the word "Schedule" the word "First".

Definition.

3. Section four of the Principal Act is amended by inserting in the definition of "Absentee", after the word "duty", the words "or the wife of such officer absent from Australia with him".

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\* Act No. 37, 1922, as amended by No. 27, 1923; No. 51, 1924; and No. 28, 1925.

4. Section five A of the Principal Act is amended by omitting from sub-section (1.) the words "Northern Territory by a resident of that Territory prior to the first day of July, One thousand nine hundred and twenty-seven" and inserting in their stead the words "Territory of North Australia or of Central Australia by a resident of either of those Territories prior to the first day of July, One thousand nine hundred and thirty-two".

Application of Act to North and Central Australia.

5. Section seven of the Principal Act is repealed and the following sections inserted in its stead :—

"7.—(1.) Subject to this section the Assistant Commissioner shall have and may exercise all the powers and functions of the Commissioner under this Act.

Powers of Assistant Commissioner.

"(2.) Where in this Act the exercise of any power or function by the Commissioner or the operation of any provision of this Act is dependent upon the opinion, belief or state of mind of the Commissioner in relation to any matter, that power or function may be exercised by the Assistant Commissioner or that provision may operate (as the case may be) upon the opinion, belief or state of mind of the Assistant Commissioner in relation to that matter.

"(3.) Nothing in this section shall be deemed to confer upon the Assistant Commissioner any power or function of the Commissioner under sub-section (1.) of section six, or under section nine or ten of this Act or to prevent the exercise of any power or function by the Commissioner under this Act, and the Commissioner shall have, in relation to any act of the Assistant Commissioner, the same power as if that act were done by himself.

"7A.—(1.) There may be a Second Commissioner of Taxation.

Second Commissioner of Taxation.

"(2.) The person for the time being holding the office of Assistant Commissioner of Taxation shall be the Second Commissioner of Taxation; and any reference in this Act to the Assistant Commissioner shall be deemed to include a reference to the Second Commissioner of Taxation."

6. Section nine of the Principal Act is amended—

Delegation by the Commissioner.

(a) by omitting the words "by writing under his hand, delegate to the Assistant Commissioner all or any of his powers or functions under this Act (except this power of delegation) so that the delegated powers and functions may be exercised as fully and effectually by the Assistant Commissioner as by the Commissioner, and may,"; and

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

"(3.) Any delegation under this section may be made subject to a power of review and alteration, within the period specified in the instrument of delegation, by the Commissioner of any act done in pursuance of the delegation and the decision given upon any such review or alteration shall be deemed to be that of the Commissioner."

7. After section nine of the Principal Act the following section is inserted :—

References to  
Commissioner.

“ 9A. Any reference in this Act to the Commissioner shall be deemed to include—

- (a) in respect of matters as to which the Assistant Commissioner has exercised any power or function conferred upon him by this Act—a reference to the Assistant Commissioner ; and
- (b) in respect of matters as to which a Deputy Commissioner has exercised any power or function conferred upon him by delegation under this Act—a reference to that Deputy Commissioner.”.

Officers to  
observe secrecy.

8. Section twelve of the Principal Act is amended by inserting in sub-section (3.), after the word “ Commissioner”, the words “ , Assistant Commissioner or a Deputy Commissioner ”.

Average years  
for income tax.

9. Section thirteen of the Principal Act is amended—

- (a) by omitting from sub-section (8.) the words “ In the case of a taxpayer who is carrying on business,” ;
- (b) by omitting from sub-section (8.) the words “ assessable income ” and inserting in their stead the words “ the assessable income of any taxpayer ” ;
- (c) by inserting in sub-section (9.), after the word “ assessed ”, the words “ , and the provisions of this section shall thereafter apply,” ; and
- (d) by adding at the end thereof the following sub-sections :—

“ (11.) For the purposes of this section, a person in any office or employment from which salary, wages or other emolument is derived shall not, so far as that office or employment is concerned, be deemed to be carrying on a business.

“ (12.) Sub-sections (4.), (5.), (6.) and (7.) of this section shall be applicable only in ascertaining the first average year to be taken into account under sub-section (2.) of this section for purposes of making the first calculation under that sub-section of the rate of income tax of any taxpayer.

“ (13.) Any year in which the taxpayer was not carrying on business and was not in receipt of assessable income shall not be counted as an average year, and the provisions of this section shall thereafter apply as if he had never been a taxpayer in a previous year.”.

Exemptions.

10. Section fourteen of the Principal Act is amended—

- (a) by inserting in paragraph (la) of sub-section (1.), after the word “ Australia ”, the words “ or in the Territory of New Guinea ” ;

(b) by omitting from paragraph (la) of sub-section (1.) the word "and" (last occurring); and

(c) by inserting at the end of sub-section (1.) the following paragraph:—

" ; and (n) the income derived by a resident of any Territory or Island in the Pacific Ocean which is governed, controlled, or held under mandate by the Government of any part of the British Empire or by a condominium in which any part of the British Empire is concerned, from the sale in Australia by or on behalf of that person of produce of the Territory or Island of which he is a resident, provided that the purchase of the produce in Australia is made for the purpose of export for sale outside Australia and that the Commissioner is satisfied that the produce has been exported without unnecessary delay."

11. Section sixteen of the Principal Act is amended—

(a) by omitting from paragraph (f) the word "and"; and

(b) by adding at the end thereof the following paragraph:—

" ; and (h) in the case of any person who sells or otherwise disposes of to another person (otherwise than by way of testamentary disposition)—

(a) either as a whole or in separate parts, the whole of the assets of a business carried on by him, for the purposes of putting an end to the business; or

(b) part of the assets of a business carried on by him, for the purpose of putting an end to a part of the business; or in the case of any person who disposes of to another person (otherwise than by sale or by way of testamentary disposition)—

(c) any assets of a business carried on by him, and the assets so sold or disposed of included any trading stock or live stock (not being live stock which, in the opinion of the Commissioner or a Deputy Commissioner, were ordinarily used by that person as beasts of burden or as working beasts)—

(1) if an amount has been specified in any contract of sale or in any other arrangement as the price at which such trading stock or live stock was sold or otherwise disposed of—

the amount so specified;

(2) if an amount has not been specified in any contract of sale or in any other arrangement as the price at which such trading stock or live stock was sold or otherwise disposed of—

the market value of the trading stock or live stock ruling on the day on which the sale or other disposal was made; or

What is included in income.

(3) if the provisions of item (1) of this paragraph are not applicable, and the Commissioner is of the opinion that there is no evidence or that there is insufficient evidence of the actual market value of the trading stock or live stock—

the amount determined by the Commissioner as fairly representing the market value ruling on the day on which the sale or other disposal was made :

Provided that the assessable income of the person who has so sold or disposed of assets for the purpose of putting an end to the whole of a business carried on by him, or in consequence of the acquisition or resumption of land, used by him for a business carried on by him, under the provisions of any law of the Commonwealth or a State which contains provision for the compulsory acquisition or resumption of land, shall not include any amount in respect of any live stock, included in the assets so sold or disposed of which, in the opinion of the Commissioner or a Deputy Commissioner, were ordinarily used by that person for breeding purposes except that, when such live stock includes sheep in the wool, there shall be included in the assessable income of that person the amount which, by applying the provisions of sub-sections (2.) and (3.) of section seventeen of this Act, is found or determined as the price or value of the wool as distinct from the sheep :

Provided further that, notwithstanding anything contained in this section or in section twenty-three of this Act, no deduction shall be allowed to any person on account of live stock sold or disposed of by him in respect of which, by virtue of the last preceding proviso, no amount has been included in his assessable income.”

12. Section seventeen of the Principal Act is repealed and the following sections inserted in its stead :—

Purchase price  
of trading stock.

“ 16A. Where any person acquires any trading stock or live stock, otherwise than by purchase, in any manner specified in paragraph (h) of section sixteen of this Act he shall be deemed to have purchased that stock and the purchase price shall be deemed to be the amount which under that paragraph is found or determined as the price or value at which that stock was disposed of.

Sale of sheep in  
the wool.

“ 17.—(1.) Where sheep in the wool are sold or otherwise disposed of by one person to another person, the sale or disposal may, at the option of the purchaser to be declared upon making his return, for all purposes in connexion with the assessment of the income derived by the purchaser, be deemed to be a sale of sheep and wool as distinct from each other.

“ (2.) The sale price of the sheep as distinct from the wool shall be or shall be deemed to be such amount, if any, as is specified in the contract of sale in the case of a sale or as specified in any other manner

in the case of a disposal otherwise than by sale as the price or value at which the sheep have been sold or disposed of as distinct from the wool, but if no such amount has been so specified, the sale price shall be deemed to be the market value of similar sheep off shears ruling on the day on which the sale or disposal was made, or, if the Commissioner is of the opinion that there is no evidence, or that there is insufficient evidence, of such market value, the sale price shall be deemed to be the value determined by the Commissioner as fairly representing that market value.

“(3.) The sale price of the wool as distinct from the sheep shall be or shall be deemed to be the difference between the sale price of the sheep as distinct from the wool as ascertained in accordance with the provisions of sub-section (2.) of this section and—

- (a) in the case of a sale—the sale price of the sheep in the wool ;  
or
- (b) in the case of a disposal otherwise than by sale—the market value of the sheep in the wool ruling on the day on which the disposal was made as ascertained by the Commissioner, or, if the Commissioner is of the opinion that there is no evidence, or that there is insufficient evidence, of such market value, the amount determined by the Commissioner as fairly representing that market value.”.

13. Section twenty of the Principal Act is amended by inserting at the end of sub-section (1.) the words “ or as rebates based on purchases by shareholders from the company ”.

Taxation of  
companies.

14. Section twenty-three of the Principal Act is amended—

Deductions.

(a) by omitting from paragraph (a) of sub-section (1.) the words :—

“(a) all losses and outgoings (not being in the nature of losses and outgoings of capital) including commission, discount, travelling expenses, interest and expenses actually incurred in gaining or producing the assessable income :”;

and inserting in their stead the words :—

“(a) all losses and outgoings (including commission, discount, travelling expenses, interest and expenses, and not being in the nature of losses and outgoings of capital) actually incurred in gaining or producing the assessable income :” ;

(b) by omitting paragraph (e) of sub-section (1.) and inserting in its stead the following paragraph :—

“(e) (i) such sum as the Commissioner thinks just and reasonable as representing the diminution in value per centum by wear and tear (not being wear and tear of a kind which may be made good by repairs) during the year in which the income was derived, of any property being plant,

machinery, implements, utensils, rolling stock, beasts of burden, working beasts and articles owned and used by the taxpayer for the purposes of producing income and, in the case of a person carrying on agricultural or pastoral pursuits, fences, dams, and other structural improvements on the land which is owned and used by him for the purposes of those pursuits, but not including improvements used for domestic or residential purposes,

or, at the option of the taxpayer,

“(ii) such sum as the Commissioner thinks just and reasonable as representing the diminution in value per centum, during the year in which the income was derived, of any property being plant, machinery, implements, utensils, rolling stock, beasts of burden, working beasts and articles owned and used by the taxpayer for the purposes of producing income, and, in the case of a person carrying on agricultural or pastoral pursuits, fences, dams, and other structural improvements on the land which is owned and used by him for the purposes of those pursuits but not including improvements used for domestic or residential purposes :

“Provided that the following conditions shall apply in relation to the deduction of sums under sub-paragraph (i) or (ii) of this paragraph :—

“(1) Where a deduction has been allowed under paragraph (d) of this sub-section, the Commissioner shall take into consideration the sum allowed under that paragraph in determining the sum to be allowed under this paragraph ;

“(2) In calculating the deduction to be allowed under this paragraph the estimated life of the unit of property in respect of which the deduction is allowable shall be ascertained for the purpose of fixing the diminution in value per centum of that property. The estimated life of the unit of property shall be determined by the Commissioner and shall be his estimate of its reasonably effective life, assuming it is maintained in good order and condition ;

“(3) Where any property in respect of which a deduction is allowable under this paragraph is acquired from one person by another person the person acquiring that property shall not be entitled to any greater deduction under this paragraph than that which would have been allowed to the person from whom it was acquired if he had retained it. Where, however, the person acquiring

the property is not a company in which the transferor is substantially interested as a shareholder, or is not a company, the shareholding interests of which are in substantially the same hands as those of the company from which it was acquired, and the Commissioner is satisfied that the circumstances are such that a deduction under this paragraph based upon the actual amount of the consideration given should be allowed, the deduction calculated on that basis may be allowed ;

“(4) Where a person, from whose assessable income a deduction has been made under this paragraph, sells any property in respect of the depreciation of which the deduction was made there shall be deducted from his assessable income of the year in which the sale was effected the amount (if any) by which the sale price is less than the depreciated value of the property, as at the time of sale, as determined in accordance with this paragraph. If the sale price exceeds that depreciated value, the amount of the excess, to the extent of the total sum of the amounts allowed by the Commissioner in any previous assessments in respect of the depreciation of the property, shall be brought to account as income of that year ;

“(5) If no separate value is allocated to any property to which this paragraph applies when sold with other assets, or if such property is disposed of otherwise than by sale, the Commissioner shall determine the amount which shall, for the purposes of condition (4) of this paragraph be deemed to be the selling price of that property ;

“(6) In calculating the deduction under this paragraph in respect of fences the amount of the value of the fences by reference to which the deduction should be calculated shall not include the amount or the sum of the amounts allowable or allowed as deductions under sub-section (1A.) of this section in the assessments of the taxpayer ;

“(7) Where a taxpayer has, in respect of his assessment for any financial year, exercised his option under this paragraph, he shall not, except with the consent of the Commissioner, have the right to make a further option in respect of that assessment or in respect of his assessment for any subsequent financial year :

Provided further that in ascertaining the sum to be allowed under sub-paragraph (ii) of this paragraph the Commissioner shall determine the estimated remaining life of the particular property under consideration and shall, subject to the last preceding proviso, allow as a deduction in each year of the estimated remaining life the sum obtained by dividing the cost of the property by the number of years of its estimated total life ;” ;



(c) by omitting sub-paragraph (ii) of paragraph (h) of sub-section (1.) and inserting in its stead the following sub-paragraph:—

“(ii) gifts of One pound and upwards made out of the assessable income derived during the year in which the gifts are made to public charitable institutions in Australia, to public universities in Australia or to colleges affiliated therewith, or to a public fund established and maintained for providing money for the construction or maintenance by or on behalf of the Commonwealth, a State or a Territory of the Commonwealth, of a public memorial relating to the war which commenced on the fourth day of August One thousand nine hundred and fourteen, if the gifts are verified to the satisfaction of the Commissioner.

“For the purposes of this sub-paragraph—

“‘Affiliated college’ means a residential educational institution affiliated under statutory provisions with a public university;

“‘Gift’ means a gift in the form of money or a gift in kind when the Commissioner is satisfied that the donor has used part of his assessable income of the year for the acquisition of the gift;

“‘Public charitable institution’ means a public hospital, a public benevolent institution and includes a public fund established and maintained for the purpose of providing money for such institutions or for the relief of persons in necessitous circumstances;”;

(d) by inserting at the end of paragraph (n) of sub-section (1.) the following words:—

“This paragraph shall not apply in any case where there is a lease of land to a company from any individual who directly or indirectly controls the voting power of the company, or in any other case in which the Commissioner is of the opinion that, in consequence of the terms and conditions of the lease or of any circumstances associated with the lease, the lessor is in substantial control of the operations of the lessee;”;

(e) by omitting from paragraph (o) of sub-section (1.) the word “and” (last occurring);

(f) by inserting in sub-section (1.), after paragraph (p), the following paragraph:—

“; and (q) in the case of a person carrying on primary production on any land—expenditure incurred by him in any of the following operations:—

(i) Eradication or extermination of animal or vegetable pests from the land;

(ii) The destruction and removal of timber, scrub or undergrowth indigenous to the land; the

destruction of weed or plant growth detrimental to the land; the preparation of the land for agriculture; ploughing and grassing the land for grazing purposes; and the draining of swamp or low-lying lands, where that operation improves the agricultural or grazing value of land so drained.

“For the purposes of this paragraph ‘primary production’ means the production resulting directly from—

- (1) the cultivation of land; or
- (2) the maintenance of animals or poultry for the purpose of selling them or of selling their bodily produce including natural increase of the animals or poultry.”; and

(g) by inserting after sub-section (1A.) the following sub-section:—

“(1B.) Notwithstanding anything contained in this section where any person has acquired land, or any estate or interest in land, carrying standing timber, for the purpose of the felling, removal and sale of that timber, there shall be deducted from the proceeds of the sale in any year of timber removed from the land such proportion of the part of the price paid for the land, estate or interest which represents the value of the timber standing on the land at the date of acquisition of the land, estate or interest, as in the opinion of the Commissioner. is attributable to the timber sold in that year.”.

15. Section twenty-five of the Principal Act is amended by omitting from the second paragraph of the proviso to paragraph (i) the words “to any lease from the Commonwealth or a State being a perpetual lease without revaluation or a lease from the Commonwealth or a State with a right of purchase;” and inserting in their stead the following words:—

Deductions not to be allowed in certain cases.

“(i) to any lease from the Commonwealth or a State being a perpetual lease without revaluation or a lease with a right of purchase; or

“(ii) in the case of an assignment or transfer of a lease if the proceeds of the assignment or transfer are assessable as income derived from the carrying on of a business or from the carrying out of a profit-making scheme;”.

16. Section twenty-six of the Principal Act is repealed and the following section inserted in its stead:—

“26.—(1.) Where a taxpayer makes a loss in any year in carrying on a business the proceeds of which (if any) would be assessable, he shall be entitled to a deduction of that loss from the income (if any) derived by him in that year:

Deductions of business losses.

Provided that if the taxpayer did not derive any income, or if the loss exceeds the income derived by him, the loss or (as the case may be) the excess of the loss over the income, shall not be taken into account under sub-section (8.) of section thirteen of this Act in ascertaining the excess of allowable deductions for the year in which the loss was incurred.

“(2.) In addition to any deduction which may be made under the last preceding sub-section in respect of any loss, a taxpayer shall be entitled to a deduction of any similar loss, or of part of any similar loss, incurred by him in any of the four years next preceding the year in which the income was derived, if no deduction of that loss, or (as the case may be) of that part of that loss, is allowable, under this section, in assessments for financial years preceding that for which the assessment is made :

Provided that—

- (a) if a deduction is allowable in respect of two or more losses, the losses shall be taken into account in the order in which they were incurred ; and
- (b) no deduction shall be allowed of any amount of loss which would have been allowable as a deduction in an assessment for any financial year preceding the financial year commencing on the first day of July One thousand nine hundred and twenty-seven if the provisions of this section had been in force for the purposes of assessments for all financial years subsequent to the financial year commencing on the first day of July One thousand nine hundred and twenty-two and had applied only to losses incurred and income derived on or after that date, or on or after the commencement of the accounting period substituted for the financial year commencing on that date under sub-section (3.) of section thirty-two of this Act, and no amount of loss, incurred prior to the first day of July One thousand nine hundred and twenty-six or prior to the commencement of any accounting period substituted under sub-section (3.) of section thirty-two of this Act for the financial year commencing on that date, shall be taken into account under sub-section (8.) of section thirteen of this Act in ascertaining the excess of allowable deductions for the year in which the loss was incurred, which would not have been allowable as a deduction in the assessment of income derived (prior to that date or that commencement) in any financial year or accounting period subsequent to the year or period in which the loss was incurred, if the provisions of this section had been so in force and had so applied.

“(3.) If any loss, or a part of any loss, or the aggregate of any losses, in respect of which a deduction is allowable under this section, exceeds the income from which the deduction is to be made, the deduction shall be allowed to the extent of that income.

“(4.) Any deduction under this section shall be made in the first instance from income from personal exertion.

“(5.) For the purposes of this section, ‘income’ means the income by reference to which the deduction under section twenty-four of this Act would, but for the deduction allowable under this section, be calculated.”

17. Section twenty-seven of the Principal Act is amended by omitting from sub-section (5.) the words “A Collector of Customs for the State” and inserting in their stead the words “Any Collector or officer of Customs for a State or Territory of the Commonwealth”.

Refusal of clearances.

18. Section twenty-nine of the Principal Act is amended by adding at the end thereof the following sub-section :—

Partners.

“(2.) In the case of a partnership between husband and wife as to which the Commissioner is of opinion that the partnership was entered into for the purpose of relieving the husband or wife or both from any liability which would have occurred under this Act if the partnership had not been formed, the partnership shall be assessed as if it were a single person without regard to their respective interests therein or to any deductions to which either of them may be entitled under this Act, and without taking into account any income derived by either of them separately or as partner with any other person.”

19. Section thirty-six of the Principal Act is amended by omitting the words “make an assessment” and inserting in their stead the words “cause an assessment to be made”.

Assessment in case of default or unsatisfactory return.

20. Section thirty-seven of the Principal Act is amended—

Alteration of assessment.

- (a) by omitting from sub-section (1.) the word “make” and inserting in its stead the words “cause to be made”;
- (b) by omitting from the second proviso to sub-section (1.) the words “has reason to believe that there has been an avoidance of tax owing to fraud or attempted evasion” and inserting in their stead the words “is of opinion that there has been an avoidance of tax and that the avoidance was due to fraud or evasion”; and
- (c) by omitting from sub-section (3.) the words “alter that assessment” and inserting in their stead the words “cause that assessment to be altered”.

21. Section forty-one of the Principal Act is amended—

Boards of Review.

- (a) by inserting at the end of sub-section (4.) the following proviso :—

“Provided that any appointment of a member of a Board of Review after the commencement of the *Income Tax Assessment Act 1927* may be for such term not exceeding seven years, as is specified by the Governor-General in the appointment.”; and

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

“(5.) Notwithstanding anything contained in the Acts repealed by this Act or in this section, the persons mentioned in the first column of

the table to this sub-section shall be deemed to have been appointed, on the dates respectively specified in the second column of that table, to the offices under this Act respectively specified in the third column of that table, and those persons shall be deemed to have continued in those offices until the commencement of this sub-section and shall thereafter, subject to sections forty-eight and forty-nine of this Act, so continue until the dates respectively specified in the fourth column of that table.

Alfred Fletcher Twine	26th May, 1922	Chairman, Board of Review	25th May, 1929.
Algernon Strat- ford Canning	22nd June, 1922	Member, Board of Review	21st June, 1929.
Russell Martin Lightband	25th June, 1922	Member, Board of Review	25th June, 1929."

References to  
High Court by  
Board.

22. Section fifty-one of the Principal Act is amended by inserting at the end of sub-section (6.) thereof the words " and the Board shall, upon the request of the Commissioner or a taxpayer, refer to the High Court any question of law arising before the Board and the decision of the High Court thereon shall be final and conclusive "

Liquidator to  
give notice.

23. Section fifty-nine of the Principal Act is amended by adding at the end thereof the following sub-sections :—

" (3.) For the purposes of this section, ' Liquidator ' means the person who, whether or not appointed as liquidator, is the person required by law to carry out the winding-up of the company.

" (4.) Where more than one person are appointed liquidators or required by law to carry out the winding-up, the obligations and liabilities attaching to a liquidator under this section shall attach to each of such persons :

Provided that where any one of such persons has paid the income tax due in respect of the company being wound-up the other person or persons shall be liable to pay that person each his equal share of the amount of the tax so paid."

When tax not  
paid during  
lifetime.

24. Section sixty-two of the Principal Act is amended by inserting after sub-section (3.) the following sub-sections :—

" (3A.) Where, in respect of the estate of any deceased taxpayer, probate has not been granted or letters of administration have not been taken out within six months of his death, the Commissioner may cause an assessment to be made of the amount of tax due by the deceased.

" (3B.) The Commissioner shall cause notice of the assessment to be published twice in a daily newspaper circulating in the State in which the taxpayer resided.

" (3C.) Any person claiming an interest in the estate of the taxpayer, may, within forty-two days of the first publication of notice of the assessment, post to or lodge with the Commissioner an objection in writing against the assessment stating fully and in detail the grounds

on which he relies, and the provisions of this Act relating to objections and appeals shall thereupon apply in relation to the objection as if the person so claiming an interest were the taxpayer.

“(3D.) Subject to any amendment of the assessment by the Commissioner, or by the Board of Review or by a Court, the assessment so made shall be conclusive evidence of the indebtedness of the deceased to the Commissioner.

“(3E.) The Commissioner may issue an order in the form in the Second Schedule to this Act authorizing any member of the police force of the Commonwealth or of a State or of a Territory of the Commonwealth or any other person named therein to levy the amount of tax due by the deceased, with costs, by distress and sale of any property of the deceased.

“(3F.) Upon the issue of any such order the member or person so authorized shall have power to levy that amount accordingly in the prescribed manner.

“(3G.) Notwithstanding anything contained in the last three preceding sub-sections, if at any time probate of the will of the deceased is granted to, or letters of administration of the estate are taken out by, a person, that person may, within forty-two days after the date on which probate was granted or letters of administration were taken out, lodge an objection against the assessment, stating fully and in detail the grounds on which he relies, and the provisions of this Act relating to objections and appeals shall thereupon apply in relation to the objection as if that person were the taxpayer.”

25. Section sixty-five of the Principal Act is amended—

- (a) by inserting in paragraph (a) of sub-section (1.), after the word “accruing”, the words “or may become”;
- (b) by inserting in paragraph (b) of sub-section (1.), after the word “holds”, the words “or may subsequently hold”;
- (c) by inserting in paragraph (c) of sub-section (1.), after the word “holds”, the words “or may subsequently hold”;
- and
- (d) by inserting in sub-section (1.), after the word “forthwith”, the words “upon the money becoming due or being held”.

Commissioner may collect tax from person owing money to taxpayer.

26. Section sixty-six of the Principal Act is amended by omitting from sub-section (3.) the words “of this Act, or of the regulations, or of the Commissioner”.

Offences.

27. Section sixty-seven of the Principal Act is amended by omitting all the words after “him,” at the end of paragraph (c) down to but not including the word “return” and inserting in their stead the following words “shall, if a taxpayer to whom paragraph (a) of this sub-section applies, be liable to pay additional tax at the rate of ten per centum per annum upon the amount of tax assessable to him (such percentage to be calculated for the period commencing on the last day allowed for furnishing the return or information and ending on the day upon which the return or information is furnished or the

Additional tax in certain cases.

day upon which the assessment is made, whichever first happens), or the sum of One pound, whichever is the greater, or, if a taxpayer to whom paragraph (b) or (c) of this sub-section applies, shall be liable to pay by way of additional tax the amount of One pound or double the amount of the difference between the tax properly payable and the tax assessed upon the basis of the ”.

Proceedings,  
how instituted.

28. Section seventy-four of the Principal Act is amended by inserting after the words “ name of the ” (second occurring) the words “ Commissioner or a ”.

Release of  
taxpayers in  
cases of  
hardship.

29. Section ninety-five of the Principal Act is amended by inserting in sub-section (1.) thereof after the word “ Customs ” the words “ or of such substitutes for all or any of them as the Minister appoints from time to time ”.

Amendment of  
Schedule.

30. The Schedule to the Principal Act is amended by inserting after the word “ THE ” the word “ FIRST ”.

Second  
Schedule.

31. After the Schedule to the Principal Act the following Schedule is inserted :—

“ THE SECOND SCHEDULE.

Commonwealth of Australia.

*Income Tax Assessment Act 1922-1927.*

Order.

To \_\_\_\_\_ at \_\_\_\_\_

WHEREAS at the time of the death of \_\_\_\_\_ deceased, income tax has not been assessed and paid on the whole of the income derived by the said \_\_\_\_\_ up to the date of his death :

AND WHEREAS probate has not been granted or letters of administration have not been taken out in respect of the estate of the said \_\_\_\_\_ deceased

AND WHEREAS the amount of income tax remaining due by the said \_\_\_\_\_ at the time of his death has been assessed by me as \_\_\_\_\_ :

THESE ARE THEREFORE to require and authorize you forthwith to levy the said sum of \_\_\_\_\_ together with the costs of these presents by distress and sale of any property of the estate of the said \_\_\_\_\_ found by you and that you certify to me on the \_\_\_\_\_ day of \_\_\_\_\_ what you shall do by virtue of this warrant.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ One thousand nine hundred and \_\_\_\_\_

Commissioner of Taxation.”.

Application of  
Act.

32.—(1.) The amendment effected by section five of this Act shall be deemed to have commenced on the first day of July One thousand nine hundred and twenty-four :

Provided that in any case in which an appeal, in which the powers and functions of the Assistant Commissioner are in question, is, at the commencement of this section, pending in a Court, the amendment so effected shall not apply for the purposes of the determination of the matter so in question.

(2.) Sub-section (12.) inserted in section thirteen of the Principal Act by paragraph (d) of section nine of this Act shall apply to assessments to be made after the commencement of this Act, for the financial year commencing on the first day of July One thousand nine hundred and twenty-six, and all subsequent years.

(3.) The amendments effected by the remaining provisions of this Act shall apply to assessments for the financial year beginning on the first day of July One thousand nine hundred and twenty-seven, and all subsequent years.

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