

INCOME TAX ASSESSMENT (NO. 2).

No. 60 of 1930.

An Act to amend the *Income Tax Assessment Act 1922-1930.*

[Assented to 16th December, 1930.]

BE 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 (No. 2) 1930.*

(2.) Section one of the *Income Tax Assessment Act 1930** is amended by omitting sub-section (3.).

(3.) The *Income Tax Assessment Act 1922-1929†* as amended by the *Income Tax Assessment Act 1930* is in this Act referred to as the Principal Act.

(4.) The Principal Act, as amended by this Act, may be cited as the *Income Tax Assessment Act 1922-1930.*

What is included in income.

2. Section sixteen of the Principal Act is amended by inserting in the first proviso to paragraph (d) after the word "licence" (first occurring) the words "or, if that lease is a lease of land, in effecting any improvements on the leased land".

Taxation of companies.

3. Section twenty of the Principal Act is amended by inserting in sub-section (4.), after the word "tax" (first occurring), the words "for any financial year prior to that commencing on the first day of July One thousand nine hundred and twenty-three".

* Act No. 50, 1930.

† Act No. 37, 1922, as amended by No. 27, 1923; No. 51, 1924; No. 28, 1925; No. 32, 1927; No. 46, 1928; and No. 11, 1929.

4. Section twenty-four of the Principal Act is amended by omitting sub-sections (1.) and (2.) and inserting in their stead the following sub-sections :—

Special deductions.

“(1.) In the case of a person (other than a company or an absentee) whose income is derived solely from property, there shall be deducted, from that income—

- (a) the sum of Two hundred pounds less One pound for every Two pounds by which the income exceeds Two hundred pounds ; or
- (b) where the income does not exceed Two hundred pounds—the amount of the income.

“(2.) In the case of a person (other than a company or an absentee) whose income is derived solely from personal exertion, there shall be deducted, from that income—

- (a) the sum of Three hundred pounds less One pound for every Three pounds by which the income exceeds Three hundred pounds ; or
- (b) where the income does not exceed Three hundred pounds—the amount of the income.

“(2A.) In the case of a person (other than a company or an absentee) whose income is derived partly from property and partly from personal exertion—

- (a) there shall be deducted from so much of the income as is derived from property a sum which bears to the amount of deduction which would have been allowed under this section if the income had been derived from property the same proportion as so much of the income as is derived from property bears to the income ; and
- (b) there shall be deducted from so much of the income as is derived from personal exertion a sum which bears to the amount of deduction which would have been allowed under this section if the income had been derived from personal exertion the same proportion as so much of the income as is derived from personal exertion bears to the income.”

5. Section thirty-two of the Principal Act is amended by omitting sub-section (1.) and inserting in its stead the following sub-section :—

Persons to furnish returns.

“(1.) For the purpose of assessment and levy of income tax, every person 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 total assessable income derived by him during the financial year ending on the preceding thirtieth day of June if—

- (a) in the case of a resident (not being a company) the total assessable income—
 - (i) consists of income from personal exertion and is not less than the sum of Three hundred pounds ; or

- (ii) consists of income from property and is not less than the sum of Two hundred pounds ; or
- (iii) consists partly of income from personal exertion and partly of income from property and is not less than Two hundred pounds ; or

(b) in the case of a company or an absentee the total assessable income exceeds the sum of One pound.”.

Additional tax
in certain cases.

6. Section sixty-seven of the Principal Act is amended by omitting from sub-section (2.) the words “ the next succeeding section ” and inserting in their stead the words “ section sixty-eight or sixty-nine of this Act ”.

7. Section ninety-four of the Principal Act is amended—

- (a) by omitting the words “ of land ” ; and
- (b) by inserting at the end thereof the following sub-section :—

Covenant by
mortgagor to
pay tax.

“(2.) A covenant or stipulation in a mortgage, whether entered into before or after the commencement of this sub-section, which has or purports to have the purpose or effect of including in or adding to the interest payable, in any specified circumstances, by the mortgagor, any amount in respect of income tax payable by the mortgagee upon the interest to be paid under the mortgage, shall be void to the extent only to which it has or purports to have that purpose or effect.”.

Application of
Act.

8. The amendments effected by sections four and five of this Act shall apply to assessments for the financial year beginning on the first day of July, One thousand nine hundred and thirty and all subsequent years.