

INCOME TAX ASSESSMENT.

No. 40 of 1933.

An Act to amend the *Income Tax Assessment Act* 1922-1933.

[Assented to 12th December, 1933.]

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* 1933.

(2.) Section five of the *Financial Relief Act* 1933 is amended by omitting sub-section (2.).

(3.) The *Income Tax Assessment Act* 1922-1932,* as amended by the *Financial Relief Act* 1933,† 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* 1922-1933.

Averaging of incomes for purposes of tax.

2.—(1.) Section thirteen of the Principal Act is amended—

(a) by omitting sub-section (2.) and inserting in its stead the following sub-sections:—

“(2.) In assessments of tax for the financial year beginning on the first day of July, One thousand nine hundred and twenty-two and subsequent years, the rate to be applied to the taxable income of a taxpayer shall be ascertained by calculating the amount of tax that would, under the Act by which the rates of income tax are declared, be payable:—

(i) where the taxable income consists wholly of income from personal exertion—upon a taxable income from personal exertion equal to the average income, and dividing that amount of tax by the average income;

(ii) where the taxable income consists wholly of income from property—upon a taxable income from property equal to the average income, and dividing that amount of tax by the average income:

* Act No. 37, 1922; as amended by No. 27, 1923; No. 51, 1924; No. 28, 1925; No. 32, 1927; No. 40, 1928; No. 11, 1929; No. 50, 1930; No. 60, 1930; No. 23, 1931; and No. 76, 1932.

† Act No. 17, 1933.

(iii) where the taxable income consists partly of income from personal exertion and partly of income from property—upon a taxable income from personal exertion equal to the average income, and also upon a taxable income from property equal to the average income, and dividing these respective amounts of tax by the average income. The amounts so obtained shall be the rates of tax on income from personal exertion and income from property respectively which shall be charged on the amount of income from personal exertion and the amount of income from property respectively contained in the taxable income of the taxpayer :

Provided that this sub-section shall not apply to the taxable income of a company except income in respect of which it is assessable as a Trustee.

“(2A.) For the purposes of this section “average income” of any taxpayer means the average of his taxable incomes of the years (in this section called “average years”) beginning with the first average year and ending with the year next preceding the financial year for which the tax is payable.”.

(2.) The amendment effected by sub-section (1.) of this section shall be deemed to have commenced on the date of commencement of the *Income Tax Assessment Act 1922*.

3. Section fourteen of the Principal Act is amended—

Exemptions.

- (a) by omitting from paragraph (j) of sub-section (1.) the word “and” and inserting in its stead the word “or”;
- (b) by omitting from paragraph (s) of sub-section (1.) the word “and”; and
- (c) by adding at the end of sub-section (1.) the following paragraph :—
 “and (u) the income of a savings bank conducted exclusively for the benefit of depositors.”.

4. Section twenty of the Principal Act is amended by omitting paragraph (b) of sub-section (2.) and inserting in its stead the following paragraph :—

Taxation of companies.

- “(b) the amount of interest calculated in accordance with the contract under which the interest is payable by the company to any person who is an absentee—
 (i) on money lodged at interest in Australia with the company ; or

- (ii) on money raised by debentures of the company and used in Australia unless the contract under which the money is raised by debentures is one the interpretation of which is not governed by the laws of the Commonwealth or of a State.”

Special
deduction.

5. Section twenty-four of the Principal Act is amended by inserting after sub-section (2A.) the following sub-section :—

“(2B.) Where, by the Act by which income tax is imposed, a further tax is imposed upon the amount of taxable income derived by any person (other than a company or an absentee) from the following sources specified in that Act, namely :—

- (a) from property ;
- (b) by way of interest, dividends, rent or royalties, whether derived from personal exertion or from property ; and
- (c) in the course of carrying on a business, where the income is of such a class that, if derived otherwise than in the course of carrying on a business, it would be income from property,

there shall be deducted from the assessable income so derived, in lieu of the deduction provided for by the preceding provisions of this section, the sum of Two hundred and fifty pounds.”

Alteration of
assessment.

6. Section thirty-seven of the Principal Act is amended by inserting in the proviso to paragraph (c) of sub-section (1A.) after the word “ is ” the words “ , or has been,”

Copies as
evidence.

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

“(1.) The production of any notice of assessment or of any document under the hand of the Commissioner, Assistant Commissioner, or a Deputy Commissioner purporting to be a copy of a notice of assessment—

- (a) shall be conclusive evidence of the due making of the assessment ; and
- (b) shall, except in proceedings on appeal against the assessment (when it shall be *prima facie* evidence only), be conclusive evidence that the amount and all the particulars of the assessment are correct.”

Reference to
Board.

8. Section fifty-one of the Principal Act is amended—

- (a) by inserting in sub-section (4.) after the word “ decision ” the words “ in writing ” ; and
- (b) by inserting after sub-section (4.) the following sub-section :—

“(4A.) Where, during the hearing of a review, the Commissioner or the taxpayer so requests, the Board shall, when giving its decisions on the review, state in writing its

reasons, both of law and of fact, for the decision including the particular terms of the Act which have been considered by the Board in arriving at the decision.”.

9.—(1.) The amendments effected by sections three, 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-three and all subsequent years. ^{Application of Act.}

(2.) The amendment effected by section six of this Act shall be deemed to have commenced on the date of commencement of the *Income Tax Assessment Act 1932.*
