

## FINANCIAL EMERGENCY TAX ASSESSMENT.

23° GEO. V., No. XX.

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No. 20 of 1932.

**AN ACT** to regulate the assessment and collection of a Financial Emergency Tax upon income, salary, and wages.

[Assented to 30th November, 1932.]

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the *Financial Emergency Tax Assessment Act, 1932*, and shall come into operation on a day to be fixed by proclamation.\* Short title and commencement.

2. In this Act, subject to the context— Interpretation.

“Commissioner” means the Commissioner of Taxation appointed under the Land and Income Tax Assessment Act, 1907-1931.

“Department” means the Taxation Department.

“Income” does not include pension granted for war service and paid by the Commonwealth Government, or except as hereinafter mentioned, salary or wages, but otherwise has the same meaning as in the Land and Income Tax Assessment Act, 1907-1931; and notwithstanding anything contained in the said Act, includes the profits and income of companies subject to the Dividend Duties Act, 1902. The term

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\* 1st December, 1932. *Gazette* 30th November, 1932.

shall include salary or wages in any case where objection is taken under section ten of this Act to tax being paid under this Act in respect of salary or wages under the provisions of section nine of this Act.

“Member of a family” means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, illegitimate son, illegitimate daughter, grandson, grand-daughter, stepson, step-daughter, brother, sister, half-brother, half-sister; and with respect to an illegitimate person includes his mother, and his brothers and sisters, whether legitimate or illegitimate, by the same father and mother.

“Person” includes a company, and any body corporate or incorporate in cases where an incorporate body pays salary or wages to employees.

“Salary or wages” includes fees paid to directors of companies or to members of boards, trusts, or commissions, and commission paid to agents.

“Taxpayer” means a person liable for taxation under this Act.

Income, salary,  
and wages liable to  
taxation.

3. (1.) Subject to the provisions of this Act, every person in receipt of income, salary, or wages shall be liable to pay financial emergency tax in respect of such income, salary, or wages at such rate per pound as Parliament shall from time to time declare and enact: Provided that, in assessing the amount of such tax—

(i) board and lodgings supplied by an employer to his employee who is receiving in cash wages not less than one pound a week shall be deemed to be equivalent to additional wages at the rate of one pound per week; and

(ii) a person in receipt of payments from a superannuation fund to which he has contributed shall be relieved from liability to taxation under this Act in respect of a proportionate part of each payment received by him as aforesaid in ratio to the amount of his contribution to such superannuation fund.

Proceeds of tax to  
be paid to Con-  
solidated Revenue  
Fund.

(2.) All moneys levied, paid, and collected under this Act shall be paid into the Consolidated Revenue Fund for the use of His Majesty.

4. The following persons shall be exempt from liability Exemptions. for taxation under this Act, that is to say, persons—

- (a) in receipt of old age and invalid pension; or
- (b) in receipt of salary or wages under twenty-one shillings a week and having no other source of income; or
- (c) whose income, including salary or wages is under fifty-two pounds a year; or
- (d) in receipt of salary or wages exceeding twenty-one shillings a week but under two pounds a week, and having no other source of income, or in receipt of income including salary or wages exceeding fifty-two pounds a year but under one hundred and four pounds a year, who prove to the satisfaction of the Commissioner that they are regularly maintaining or contributing to the maintenance of one or more members of their family who is or are resident and domiciled in Western Australia; or
- (e) being a racing club, which is not established or carried on for the pecuniary benefit of the individual members thereof.

5. (1.) The financial emergency tax payable under this Act in respect of income of taxpayers other than companies Tax in respect of income. subject to the Dividend Duties Act, 1902—

- (a) shall be payable on the net amount remaining of the income received by or accruing or deemed to have accrued to the taxpayer after all such deductions (with the exceptions hereinafter provided) as are allowed by the Land and Income Tax Assessment Act, 1907-1931, have been made; and
- (b) shall be assessed and payable without regard to the provisos to subsection (1) of section fifteen of that Act, or to subsections (2) and (3) of the said section fifteen, or to paragraphs (5), (6), (12), (13), (14), (15) (except rates and taxes paid on property used in the production of income), and (16) of section thirty-one of the said Act; and
- (c) shall be payable in each year of assessment under the Land and Income Tax Assessment Act, 1907-1931, and shall be calculated on and payable in respect of the income of the taxpayer for the year next preceding the year of assessment:

Provided that, for the year of assessment current at the date of the commencement of this Act, the taxpayer shall be liable for the said tax in respect of such portion of the income of the taxpayer for the year next preceding such year of assessment as shall bear the same ratio to the whole of such income as the length of the period between the commencement of this Act and the first day of July, one thousand nine hundred and thirty-three, bears to a full year.

(2.) The amount of tax assessed under this Act shall be due and payable to the Commissioner on behalf of the department by every taxpayer thirty days after service by post of a notice of assessment of such tax; and, subject to this Act, the provisions of the Land and Income Tax Assessment Act, 1907-1931, relating to assessment and collection of income tax shall apply to and in respect of the assessment and collection of financial emergency tax.

(3.) The income, revenues, and funds exempted from income tax by section eighteen (except paragraphs (3), (8), and (9) thereof) of the Land and Income Tax Assessment Act, 1907-1931, shall be exempt from liability for taxation under this Act.

Assessment in case  
of default.

6. If an assessment is made by the Commissioner under section forty-three of the Land and Income Tax Assessment Act, 1907-1931 (assessment in case of default), financial emergency tax under this Act in respect of the income of any person so assessed shall be due to the department and payable to the Commissioner on behalf of the department, and section five of this Act shall apply.

Tax in respect of  
income exempt  
from income tax.

7. If any person shall not furnish a return to the Commissioner for the purpose of assessment under the Land and Income Tax Assessment Act, 1907-1931, within thirty days after the first day of August in any year on the ground that his income is of such amount or is derived from such source as to be exempt from income tax, or for any other reason, such person shall forthwith, on the expiration of the said thirty days—

(a) send to the Commissioner or to a local agent appointed by the Commissioner to receive returns under this section, a statement in writing in the prescribed form of his income, in respect of which

he is liable for taxation under this Act, and received by him during the twelve months ending the thirtieth day of June then last preceding; and

- (b) pay therewith to the Commissioner or to his local agent the amount of the tax payable under this Act at the rate fixed by Parliament in respect of such income; subject, however, to the proviso to paragraph (c) of subsection (1) of section five of this Act.

8. Every company subject to the Dividend Duties Act, 1902, shall, as and when every payment of duty under that Act is payable to the Commissioner, pay to the Commissioner on behalf of the department, in addition to such duty aforesaid, financial emergency tax under this Act at the rate fixed by Parliament in respect of every pound of its profits as assessed, or, in the case of a life insurance company, of interest received from its investments, or, in the case of any other company which carries on any insurance or assurance business exclusively (not being a life assurance company) in respect of every three pounds two shillings and sixpence of the premiums received by such company, but excluding any portion of such premium actually paid away by way of re-insurance effected in the State of Western Australia with any other company:

Tax in respect of companies.

Provided that the first amount of tax to be assessed under this Act shall be assessed and payable in respect of a proportionate part of the amount of the first assessment under the Dividend Duties Act, 1902, after the commencement of this Act of the profits or income of every such company as shall bear the same ratio to the whole as the length of the period between the commencement of this Act and the first day of July, nineteen hundred and thirty-three bears to a year:

Provided also, that the income derived by any person from shares in any company liable to pay tax under this section shall be exempt from assessment for tax under this Act.

9. (1.) Subject to section ten of this Act, financial emergency tax in respect of salary and wages shall be due and payable by or on behalf of taxpayers upon receipt of such salary or wages in accordance with the following provisions:—

Tax in respect of salary or wages.

- (a) Every person paying salary or wages to any other person shall be responsible for the payment by such person of the said tax on each occasion that any payment of salary or wages is made;

(b) As and when every payment of salary or wages is received by any person, the said tax at the rate fixed by Parliament for every pound of such salary or wages shall be paid by one of the alternative methods specified in paragraph (c) of this subsection:

Provided that, if any such payment includes a fraction of a pound of not less than fifteen shillings, such fraction shall be reckoned as a pound;

(c) The said tax shall be paid in one of the following alternative methods:—

(i) A person paying salary or wages shall collect on behalf of the Commissioner the amount of the tax due under this section by a deduction from the salary or wages payable by him, separately shown on a pay sheet; and in every such case the amount of the tax so collected from the employee or payee shall be paid forthwith by the employer or payor to the Commissioner accordingly; and the amount of the tax payable in respect of each payment of salary or wages may be deducted from such salary or wages by the employer or payor;

(ii) Any person paying salary or wages may cause tax payable under this section to be paid by means of adhesive stamps of the requisite value affixed to the pay sheet.

Adhesive stamps in the prescribed form shall be issued by the Commissioner and his agents on payment of the value thereof, and the proceeds of the sale of such stamps shall be deemed to be financial emergency tax received under this Act, and shall be dealt with as provided in subsection (2) of section three of this Act.

Any person paying salary or wages and collecting tax payable by means of adhesive stamps as herein provided shall provide and supply to the employee or payee the requisite stamps on payment to him of the value thereof.

(iii) The collection of tax under this section shall be in accordance with regulations made under this Act.

(d) The Governor may by regulations under this Act prescribe which of the alternative methods of obtaining payment of the tax under this section shall be observed by persons paying salary or wages and by the persons receiving the same.

(2.) For the purposes of this section payments made at piecework rates for work done or labour performed shall be treated as wages.

(3.) In the case of any contract for work or labour, including clearing, shearing, droving, and carting made by any person, or by or on behalf of several persons, every payment made by the employer or the person for whom the work or labour is done, or received by or on behalf of the person or persons doing such work or labour under the contract, shall be deemed to be wages:

Provided that a proportionate reduction shall be made from the gross amount payable under the contract of an amount which in the opinion of the Commissioner represents any necessary outlay when assessing the amount of the tax payable under this Act.

(4.) Tax payable under this Act in respect of salary or wages received by any person in the service of the Government of the State shall be paid by such person to and shall be collected by the paying officer on behalf of the Commissioner as and when every payment of salary or wages is received; but in lieu of compliance with the provisions of paragraph (b) of subsection (1) of this section, such tax may, subject to the regulations, be collected on behalf of the Commissioner by the paying officer by a deduction of the amount of the tax from the amount of salary or wages payable, and the amount of the tax so deducted shall be paid forthwith by such paying officer to the Commissioner, and a record of such deduction shall be entered on the pay sheet to be kept by the officer making the same.

(5.) The Governor may arrange with the Governor General of the Commonwealth that the tax payable under this Act in respect of salary or wages received by any persons in the service of the Government of the Commonwealth shall be deducted out of the periodical payments of salary or wages of those persons by the officer of the Commonwealth paying the same, and shall be paid to the Commissioner in such manner and at such times as are provided by the arrangement.

(6.) If during the period between the date of the commencement of this Act and the thirtieth day of June, one thousand nine hundred and thirty-three, any person shall pay tax under this section in respect of his salary or wages, and at the expiration of such period he proves to the satisfaction

of the Commissioner that the amount of the salary or wages together with any other income received by him during such period is such that the average monthly proportion thereof for the period multiplied by twelve would be less than fifty-two pounds in the case of a taxpayer other than a person who is entitled to exemption under paragraph (d) of section four of this Act, or less than one hundred and four pounds in the case of a person who is entitled to exemption under paragraph (d) of section four of this Act, and if, after the said thirtieth day of June, one thousand nine hundred and thirty-three, during any period of twelve months ending on the thirtieth day of June in any year any person shall pay tax under this section in respect of his salary or wages, and at the expiration of such period of twelve months he proves to the satisfaction of the Commissioner that the amount of the salary or wages together with any other income received by him during such period is less than fifty-two pounds in the aggregate in the case of a taxpayer other than a person who is entitled to exemption under paragraph (d) of section four of this Act, or less than one hundred and four pounds in the aggregate in the case of a person who is entitled to exemption under paragraph (d) of section four of this Act, then any such person in either of the cases aforesaid may apply for, and the Commissioner shall make to such person a refund of the amount of the tax so paid by such person and received by the Commissioner during the respective periods aforesaid.

In certain cases -  
 salary or wages to  
 be treated as in-  
 come for the  
 purposes of tax to  
 be paid by the  
 taxpayer.

10. (1.) If any taxpayer, or the employer of any taxpayer, or the person paying salary or wages to a taxpayer, by notice in writing to the Commissioner objects on legal grounds to pay or deduct tax under section nine of this Act which but for such legal objection would be payable in respect of salary or wages under and in accordance with the provisions of the said section nine, or if such objection otherwise comes to the knowledge of the Commissioner, the salary or wages of such taxpayer shall be assessed as income for the purposes of this Act, and the tax under this Act shall be payable by the person receiving such salary or wages under and in the manner provided in this Act for tax in respect of income.

(2.) Where any salary or wages consists of fees paid to directors of companies or to members of boards, trusts or commissions, or commissions paid to an agent, and the taxpayer satisfies the Commissioner that expense has been incurred in earning such salary or wages, or that for any



other reason the payment of tax in respect of such salary or wages under and in accordance with section nine would be inequitable, the Commissioner may by writing under his hand direct that such salary or wages of such taxpayer shall be assessed as income for the purpose of this Act, and the tax under this Act shall be payable by the taxpayer under and in the manner provided in this Act for tax in respect of income.

11. Any tax under this Act payable by any person in respect of income, salary, or wages shall be a debt due to the Crown, and may be sued for and recovered by action in any court of competent jurisdiction at the suit of the Commissioner. Recovery of tax.

12. The Governor may appoint inspectors and other officers for the purposes of this Act, and such inspectors and officers shall have power to demand the production by any person of such documents or other proof by them deemed necessary to ascertain that the provisions of this Act are being observed. Officers.

13. Every person shall be guilty of an offence against this Act who— Offences.

- (a) obstructs or impedes or attempts to obstruct or impede any inspector or other officer in the performance of his duties; or
- (b) refuses to furnish any inspector or other officer with any information, or wilfully misleads any inspector or other officer in any way so as to interfere with the discharge of his duties; or
- (c) omits to make payment of any tax payable by him under this Act, or fails or neglects to comply with, or commits any breach of any provision of this Act or the regulations, or furnishes any return or statement of income false in any material particular, or commits or suffers to be committed any act which defrauds or may defraud the Crown of any financial emergency tax, or by whose default the Crown may be or is so defrauded.

Penalty: For a first offence, twenty pounds; for any subsequent offence, one hundred pounds.

Regulations.

14. The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted, or which are necessary or convenient to be prescribed for giving effect to this Act.

Annual report to Parliament.

15. The Commissioner shall furnish annually a copy of the accounts under this Act, together with a report relating to the operation of this Act, and such accounts and report shall be laid before Parliament.

Appeals.

16. (1.) Any taxpayer who is dissatisfied with any assessment made by the Commissioner under this Act shall have a right of appeal, and for the purposes of any such appeal sections forty-six to forty-nine, both inclusive, of the Land and Income Tax Assessment Act, 1907-1931, shall be deemed to be incorporated in this Act, and shall apply *mutatis mutandis* to appeals under this Act.

(2.) Any rules made under section fifty of the Land and Income Tax Assessment Act, 1907-1931, and from time to time in force thereunder, shall apply *mutatis mutandis* in relation to appeals under this Act.