

LAND AND INCOME TAX ASSESSMENT.

13° GEO. V., No. XXII.

No. 40 of 1922.

AN ACT to further amend the Land and Income Tax Assessment Act, 1907.

[Assented to 23rd December, 1922.]

BE 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 *Land and Income Tax Assessment Amendment Act, 1922*, and shall be read as one with the Land and Income Tax Assessment Act, 1907, and its amendments, hereinafter referred to as the principal Act. Short title.

2. Section sixteen of the principal Act is amended by omitting all the words after the word "rate" in line five of subsection (2) and inserting in lieu thereof the words "without any deduction for insurance premiums, medical expenses, travelling expenses or deductions allowed for children or dependants or any deduction under the second proviso to subsection (1) of this section as amended by section six of the Land and Income Tax Assessment Amendment Act, 1922" and is further amended by inserting subsections, as follows:— Amendment of Section 16.

(2a.) If the income chargeable of any person, together with income received by him in respect of the dividends of a company, subject to duty under the Dividend Duties Act, 1902, amounts during the year next preceding the year of assessment to such a sum as if it were all income chargeable would be liable to income tax at a rate exceeding one shilling and threepence for every pound sterling thereof, without regard to any super-tax imposed by any Act in force for the time being, the amount of such 1921, No. 15, s. 5

aggregate income shall be taxable income under this Act, but the taxpayer shall receive credit for the duty payable under the Dividend Duties Act, 1902, in respect of his income derived from a company as aforesaid.

1921, No. 15, s. 5.

(2b.) If any person not in receipt of any income chargeable is, during the year next preceding the year of assessment in receipt of income derived from dividends within the meaning of the Dividend Duties Act, 1902, and such income, after all deductions allowed by law, exceeds the sum which under any Act in force for the time being for the imposition of income tax would be chargeable as income at a higher rate of tax in the pound than one shilling and threepence, without regard to any super-tax imposed by any Act in force for the time being, such income shall be taxable income under this Act, but the taxpayer shall receive credit for the amount of duty payable in respect of such income under the Dividend Duties Act, 1902:

Provided that in any assessment made under this section a deduction shall be allowed for interest incurred by the person in the production of the income derived from dividends.

Section sixteen is further amended by adding a proviso to subsection (1), as follows:—

Provided also that any male person over sixty-five years or female person over sixty years, who has an income not exceeding two hundred and fifty pounds a year earned by personal exertion but no other income shall be exempt from taxation.

And is further amended by inserting in paragraph (4), after the word “sale,” in the second line, the words “after the thirty-first day of August, 1921.”

Section sixteen is further amended by adding a proviso to paragraph (4) as follows:—

Provided that where a taxpayer or taxpayers shall have furnished income tax returns and shall have subsequently converted his or their business into an incorporated company, and hold substantially the whole of the share capital of the company, and shall not have received any cash consideration on the conversion of the business into that of a company, such taxpayer or taxpayers shall

be exempt from tax under this subsection in respect of any sale of the business to such company effected between the first day of July, 1920, and the thirty-first day of August, 1921, if the company adjusts the value of the stock in trade, live stock, or other goods, chattels, and effects so acquired by the company to the value as stated in the returns furnished by the taxpayer being the vendor to the company.

Provided also that where such adjustment is made by the company the Commissioner shall refund to the taxpayer the amount of tax paid by him and exempted as aforesaid.

3. Section nineteen of the principal Act is amended by adding to subsection (3) thereof the following words, namely, "subject to subsections (2a) and (2b) of section sixteen of this Act, and to any exception that may be declared from time to time by Parliament."

Amendment of
Section 19.

4. Section thirty of the principal Act (as inserted by section seven of the Act No. 17 of 1922) is hereby amended by adding to paragraph (d) of subsection (5) thereof the following words:—"Such expenses shall include the cost of travelling from the place of living of the taxpayer to the place where his income is earned or produced not exceeding fifteen pounds in any year."

Amendment of
Section 30.

"Provided that the travelling expenses of a member of Parliament shall be allowed and assessed as follows:—If a member is the representative of the Metropolitan, Metropolitan-Suburban, or West Province or of an electoral district therein, such expenses shall not exceed fifty pounds per annum; and if such member is the representative of any other province or district, such expenses shall not exceed one hundred pounds per annum."

5. Section thirty of the principal Act is hereby amended by inserting the following new subsection, to stand as subsection 5a:—

5a. So much of the assessable income as is paid in calls on shares in a mining company or syndicate prospecting in West Australia for gold, silver, base metals, oil, or minerals.

And is further amended by adding a new subsection to stand as 11a, as follows:—

11a. Money up to forty pounds per annum for each dependant actually expended during the year by a taxpayer in or towards the support of dependants.

Section thirty of the principal Act is further amended by adding to subsection (7) the following:—“In ascertaining the sum to be allowed under this paragraph, the Commissioner shall determine the estimated life of the machine, implement, utensil, rolling stock, or article, and shall allow as a deduction in each year of the estimated life of the machine, implement, utensil, rolling stock, or article the sum obtained by dividing the cost of the machine, implement, utensil, rolling stock, or article, by the number of years of its estimated life; but the taxpayer shall bring into account in the year of sale any sum received by him on the sale of the machine, implement, utensil, rolling stock, or article in excess of the depreciated value. For the purposes of this subsection the estimated life of the machine, implement, utensil, rolling stock, or article shall be its reasonably effective life, assuming it is maintained in good order and condition.”

Amendment of
section 16.

6. (1.) The second proviso to subsection (1) of section sixteen of the principal Act is amended by omitting the words “one hundred and fifty-six” and inserting “two hundred” in place thereof.

(2.) Subsections are inserted in section sixteen of the principal Act, as follows:—

(1a.) Where the income of any person who is unmarried and has no dependant, less the deductions allowed by this Act (except under this section) amounts in any year to one hundred and one pounds or over, there shall be deducted therefrom the sum of one hundred pounds less two pounds for every one pound whereby such income exceeds one hundred pounds, and the remainder shall be “income chargeable”:

Provided that the minimum amount to be payable by any such person as tax shall be two shillings and sixpence.

(1b.) Where the income of any person who is married or has a dependant, less the deductions allowed by this Act (except under this section) amounts in any year to two hundred and one pounds or over, there shall be de-

ducted therefrom the sum of two hundred pounds less two pounds for every one pound whereby such income exceeds two hundred pounds, and the remainder shall be "income chargeable":

Provided that the minimum amount to be payable by any such person as tax shall be two shillings and sixpence.

7. Section thirty-four of the principal Act (inserted by the Act No. 17 of 1922) is amended by substituting for the words "within two years of the date of payment of the tax" the words "within three years of the date when the tax was due."

Amendment of
Section 34.

8. Section fifty-four of the principal Act is amended by omitting the words, "before the expiration of thirty days."

Amendment of
Section 54.

9. Section three of the Land and Income Tax Assessment Amendment Act, 1921, is amended by deleting the words "omitting the proviso to subsection (2)" and inserting in lieu thereof "inserting in the proviso to subsection (2) the words 'one mile' instead of the words 'ten miles.'"

Amendment of
Section 3 of 1921.

10. All copies of the principal Act hereafter printed by the Government Printer shall be printed as amended by this Act and under the supervision of the Clerk of Parliaments, and references to this Act shall be made in the margin.

Principal Act to be
reprinted as
amended.