

INCOME TAX ASSESSMENT.

No. 30 of 1939.

An Act to amend the *Income Tax Assessment Act* 1936-1938.

[Assented to 26th September, 1939.]

[Date of Commencement, 24th October, 1939.]

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* 1939.

(2.) The *Income Tax Assessment Act* 1936-1938* 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* 1936-1939.

Definition of
resident.

2. Section six of the Principal Act is amended—

(a) by omitting from sub-paragraph (i) of paragraph (a) of the definition of “resident” or “resident of Australia” the word “or” ;

* Act No. 27, 1936, as amended by No. 83, 1936 ; No. 5, 1937 ; and No. 46, 1938.

(b) by omitting from sub-paragraph (ii) of paragraph (a) of the definition of "resident" or "resident of Australia" the word "and" (last occurring) and inserting in its stead the word "or"; and

(c) by inserting after sub-paragraph (ii) of paragraph (a) of the definition of "resident" or "resident of Australia" the following sub-paragraph:—

"(iii) who is a contributor to the Superannuation Fund established under the *Superannuation Act* 1922–1937 or who is the spouse or a child under sixteen years of age of such a contributor; and".

3. Section forty-six of the Principal Act is amended by inserting in sub-section (1.), after the word "shareholder", the words "(other than a company which is a non-resident)". Rebate on dividends.

4. After section one hundred and twenty-three of the Principal Act the following section is inserted:—

"123A.—(1.) In this section—

'petroleum' means naturally-occurring solid, liquid, or gaseous hydrocarbons in a free state but does not include any substance which may be extracted from rocks or minerals by any process of destructive distillation; and

Deduction of
unrecouped
capital
expenditure
on prospecting
or mining for
petroleum.

'unrecouped capital expenditure' means the amount remaining after deducting from the total amount of the capital expenditure incurred by the taxpayer prior to the year of tax in prospecting or mining for petroleum in Australia or the Territory of New Guinea and in plant necessary for the treatment of that petroleum the amount remaining after deducting from the income derived by the taxpayer, in and out of Australia, prior to the year of tax, from the sale of that petroleum and its products all outgoings (other than outgoings of a capital nature) incurred in gaining or producing that income and any taxes payable in respect of that income.

(2.) Where a taxpayer derives income from carrying on mining operations in Australia or the Territory of New Guinea for the purpose of obtaining petroleum, the amount of the unrecouped capital expenditure (not exceeding the amount remaining after deducting from the assessable income derived from the sale of that petroleum and its products all other deductions allowable in respect of that assessable income) shall be an allowable deduction.

(3.) The provisions of sections one hundred and twenty-two and one hundred and twenty-three shall not apply to any expenditure to which this section applies."

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