

# Income Tax Assessment (No. 2)

No. 83 of 1966

An Act relating to Income Tax.

[Assented to 29 October 1966]

**B**E it enacted by the Queen'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) 1966*.

(2.) Section 1 of the *Income Tax Assessment Act 1966*\* is amended by omitting sub-section (3.).

(3.) The *Income Tax Assessment Act 1936–1965*,† as amended by the *Income Tax Assessment Act 1966* and by this Act, may be cited as the *Income Tax Assessment Act 1936–1966*.

Commencement.

2. This Act shall come into operation on the day on which it receives the Royal Assent.

Losses of previous years incurred in engaging in primary production.

3. Section 80AA of the *Income Tax Assessment Act 1936–1965* as amended by the *Income Tax Assessment Act 1966* is amended by inserting after sub-section (1.) the following sub-section:—

“(1A.) This section also applies to a loss incurred by a taxpayer in engaging in primary production in the Northern Territory of Australia in any of the seven years immediately preceding the year of income that commenced on the first day of July, One thousand nine hundred and fifty-seven, and, for the purposes of the application of this section in relation to such a year, a reference in this section to engaging in primary production in that year shall be read as a reference to engaging in primary production in the Northern Territory of Australia in that year.”.

Repeal.

4. Section 21 of the *Income Tax Assessment Act 1966* is repealed.

Application.

5. The amendment made by section 3 of this Act applies to assessments in respect of income of the year of income that commenced on the first day of July, One thousand nine hundred and sixty-five, and in respect of income of all subsequent years of income.

\* Act No. 50, 1966.

† Act No. 27, 1936, as amended by No. 88, 1936; No. 5, 1937; No. 46, 1938; No. 30, 1939; Nos. 17 and 65, 1940; Nos. 58 and 69, 1941; Nos. 22 and 50, 1942; No. 10, 1943; Nos. 3 and 28, 1944; Nos. 4 and 37, 1945; No. 6, 1946; Nos. 11 and 63, 1947; No. 44, 1948; No. 66, 1949; No. 48, 1950; No. 44, 1951; Nos. 4, 28 and 90, 1952; Nos. 1, 28, 45 and 81, 1953; No. 43, 1954; Nos. 18 and 62, 1955; Nos. 25, 30 and 101, 1956; Nos. 39 and 65, 1957; No. 55, 1958; Nos. 12, 70 and 85, 1959; Nos. 17, 18, 58 and 108, 1960; Nos. 17, 27 and 94, 1961; Nos. 39 and 98, 1962; Nos. 34 and 69, 1963; Nos. 46, 68, 110 and 115, 1964; and Nos. 33, 103 and 143, 1965.

6.—(1.) This section applies for the purposes of the making of an assessment in respect of income of a taxpayer of the year of income that commenced on the first day of July, One thousand nine hundred and sixty-five, or of a succeeding year of income.

Transitional provision in relation to losses of previous years.

(2.) Where, in assessments in respect of income of the taxpayer of years of income preceding the year of income that commenced on the first day of July, One thousand nine hundred and sixty-five, deductions (in this sub-section referred to as “the actual deductions”) have been allowed under section 80 of the *Income Tax and Social Services Contribution Assessment Act 1936–1951*, or of that Act as amended, in respect of losses of previous years other than losses incurred before the year of income that commenced on the first day of July, One thousand nine hundred and fifty, such deductions (in this sub-section referred to as “the notional deductions”) shall be deemed to have been allowed in those assessments, in lieu of the actual deductions, as would have been allowed if—

- (a) sections 80AA, 80AB and 80AC of the *Income Tax Assessment Act 1936–1966* had been in force in relation to assessments in respect of income derived during those preceding years of income; and
- (b) each amendment made by sections 9 and 19 of the *Income Tax Assessment Act 1966* to a provision of the *Income Tax Assessment Act 1936–1965* had been in force in relation to assessments in respect of income derived during those preceding years of income, being assessments to which that provision applied,

but no amount shall be so deemed to have been allowed as a deduction where, if it were so deemed to have been allowed, the total of the notional deductions would exceed the total of the actual deductions.

(3.) In this section—

- (a) a reference to a deduction that has been, or would have been, allowed shall be read as including a reference to a deduction that is, or would be, allowable; and
- (b) a reference to a deduction shall be read as including a reference to a deduction from net exempt income.