

DRAFT.]

[CONFIDENTIAL.

1915.

**A BILL**  
**FOR**  
**AN ACT**

To impose a Progressive Tax upon Incomes.

**BE** it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

- 1. This Act may be cited as the *Income Tax Act 1915*. Short title.
- 5 2. The *Income Tax Assessment Act 1915* shall be incorporated and read as one with this Act. Incorporation.
- 3. Income tax is imposed at the rates declared in this Act. Imposition of income tax.
- 4.—(1.) The rate of the income tax in respect of income derived from personal exertion shall be as set out in the First Schedule to this Act. Rate of income tax.
- 10 (2.) The rate of the income tax in respect of income derived from property shall be as set out in the Second Schedule to this Act.
- (3.) The rate of the income tax in respect of the income of a company shall be as set out in the Third Schedule to this Act.
- 15 5. Income tax shall be levied in and for the financial year beginning on the first day of July One thousand nine hundred and fifteen, and each financial year thereafter. Levy of income tax.

**THE SCHEDULES.**

THE SCHEDULES.

FIRST SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION . . .

For so much of the taxable income as does not exceed £7,600 the rate of tax per pound sterling shall be Three pence and three eight-hundredths of one penny where the taxable value is One pound sterling, and shall increase uniformly with each increase of One pound sterling of the taxable income by three eight-hundredths of one penny.

For every pound sterling of taxable income in excess of £7,600 the rate of tax shall be sixty pence.

The rate of tax for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula :—

R=rate of tax in pence per pound sterling.  
I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{3}{800} I \right) \text{pence.}$$

SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For income of a taxable value not exceeding £546 the rate of tax shall be calculated from the following formula :—

R=rate of tax in pence per pound sterling  
I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{1}{181 \cdot 07} I \right) \text{pence.}$$

(b) For income of a taxable value exceeding £546 but not exceeding £2,000 the rate of tax shall be calculated in the following manner—

The rate of the tax shall increase continuously with the increase of the taxable value of the income in a curve of the second degree in such a manner that the increment of tax per pound increase of taxable income shall be—

at a taxable income of	£546	...	11.713 pence
at a taxable income of	£600	...	12.768 pence
at a taxable income of	£700	...	14.672 pence
at a taxable income of	£800	...	16.512 pence
at a taxable income of	£900	...	18.288 pence
at a taxable income of	£1,000	...	20.000 pence
at a taxable income of	£1,500	...	27.600 pence
at a taxable income of	£2,000	...	33.600 pence

NOTE.—Amount of tax for taxable incomes of these amounts. Equivalent rate of—  
 £546.. £13 13 8.. 6.015 pence  
 £600.. 16 8 9.. 6.376 pence  
 £700.. 22 3 2.. 7.597 pence  
 £800.. 28 18 2.. 8.597 pence  
 £900.. 35 18 2.. 9.576 pence  
 £1,000.. 43 17 9.. 10.538 pence  
 £1,500.. 58 15 0.. 15.000 pence  
 £2,000.. 67 15 7.. 18.933 pence

(c) For income of a taxable value exceeding £2,000 the rate of tax shall be calculated in the following manner—

For so much of taxable value as does not exceed £6,500, the rate of tax shall increase continuously with the increase of the taxable value of the income in a curve of the third degree in such a manner that the increment of tax per pound increase of taxable income shall be —

at a taxable income of	£2,000	...	33.600 pence
at a taxable income of	£2,500	...	40.000 pence
at a taxable income of	£3,000	...	45.300 pence
at a taxable income of	£3,500	...	49.600 pence
at a taxable income of	£4,000	...	53.000 pence
at a taxable income of	£4,500	...	55.600 pence
at a taxable income of	£5,000	...	57.500 pence
at a taxable income of	£5,500	...	58.800 pence
at a taxable income of	£6,000	...	59.600 pence
at a taxable income of	£6,500	...	60.000 pence

NOTE.—Amount of tax for taxable incomes of these amounts. Equivalent rate of—  
 £2,000.. £167 15 7.. 18.933 pence  
 £2,500.. 234 12 11.. 22.598 pence  
 £3,000.. 323 13 7.. 27.894 pence  
 £3,500.. 422 14 0.. 33.951 pence  
 £4,000.. 539 14 5.. 41.783 pence  
 £4,500.. 642 19 7.. 51.321 pence  
 £5,000.. 760 18 1.. 56.523 pence  
 £5,500.. 882 9 11.. 58.498 pence  
 £6,000.. 1,005 11 1.. 60.222 pence  
 £6,500.. 1,130 4 0.. 61.786 pence

For every pound sterling of taxable income in excess of £6,500 the rate of tax shall be sixty pence.

1915.

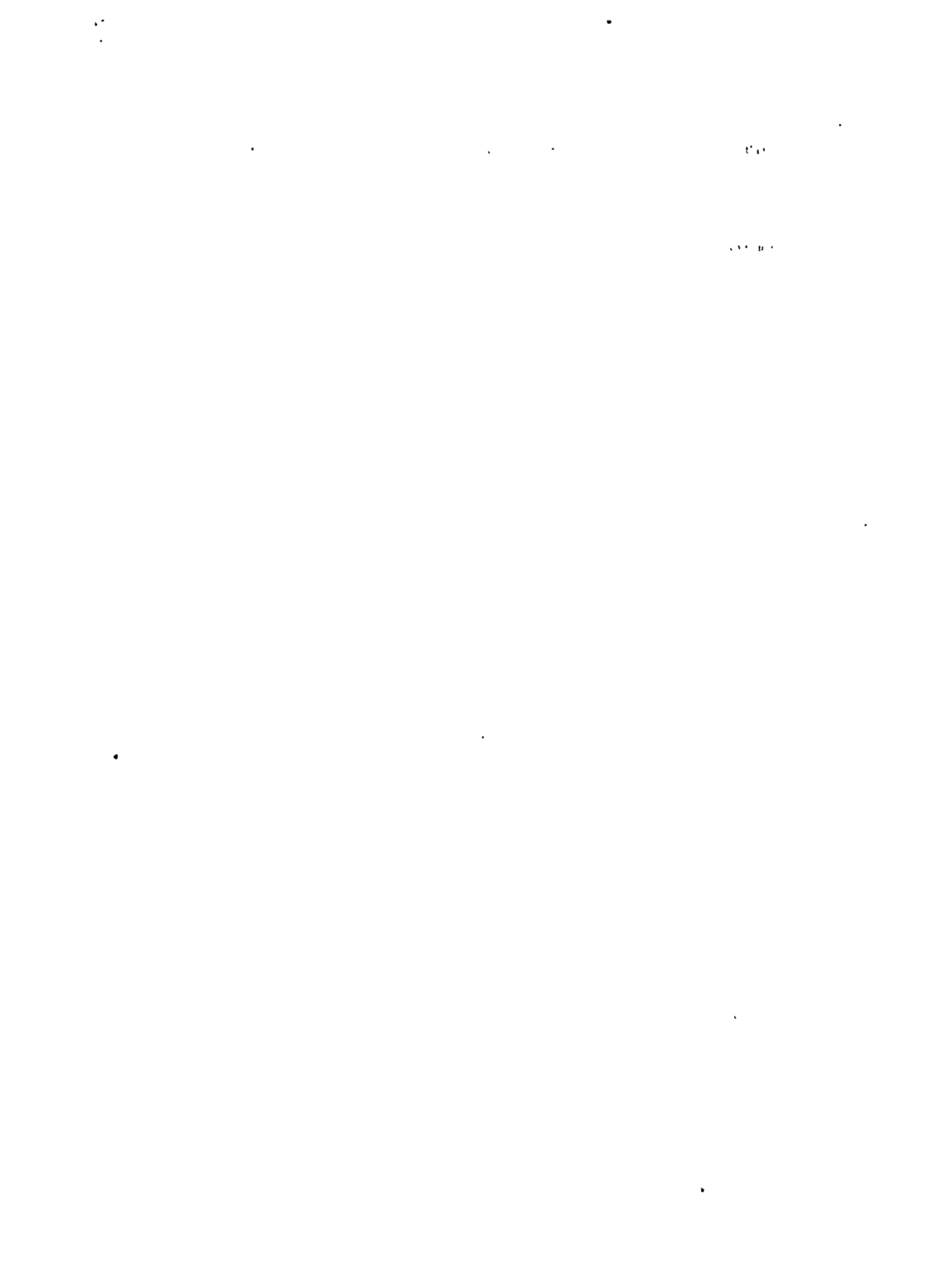
*Income Tax.*

No.

3

**THIRD SCHEDULE.****RATE OF TAX ON THE INCOME OF A COMPANY.**

For every pound sterling of the taxable income of a company the rate of tax shall be one shilling and sixpence.



THIS Bill originated in the House of Representatives : and, having this day passed, is now ready for presentation to the Senate for its concurrence.

C. GAVAN DUFFY,  
*Clerk of the House of Representatives.*

*House of Representatives,*  
Melbourne, 2nd September, 1915.

# A BILL

FOR

# AN ACT

To impose a Progressive Tax upon Incomes.

**BE** it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows :—

- |    |   |  |
|----|---|--|
|    | 1. This Act may be cited as the <i>Income Tax Act</i> 1915.   | <small>Short title</small>               |
| 5  | 2. The <i>Income Tax Assessment Act</i> 1915 shall be incorporated and read as one with this Act.   | <small>Incorporation.</small>            |
|    | 3. Income tax is imposed at the rates declared in this Act.   | <small>Imposition of income tax.</small> |
| 10 | 4.—(1.) The rate of the income tax in respect of income derived from personal exertion shall be as set out in the First Schedule to this Act. | <small>Rate of income tax.</small>       |
|    | (2.) The rate of the income tax in respect of income derived from property shall be as set out in the Second Schedule to this Act.            |  |
|    | (3.) The rate of the income tax in respect of the income of a company shall be as set out in the Third Schedule to this Act.                  |  |
| 15 | 5. Income tax shall be levied in and for the financial year beginning on the first day of July One thousand nine hundred and fifteen.         | <small>Levy of income tax.</small>       |

THE SCHEDULES.

THE SCHEDULES.

FIRST SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For so much of the taxable income as does not exceed £7,600 the rate of tax per pound sterling shall be Threepence and three eight-hundredths of one penny where the taxable value is One pound sterling, and shall increase uniformly with each increase of One pound sterling of the taxable income by three eight-hundredths of one penny.

For every pound sterling of taxable income in excess of £7,600 the rate of tax shall be sixty pence.

The rate of tax for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula:—

R=rate of tax in pence per pound sterling.  
I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{3}{800} I \right) \text{pence.}$$

SECOND SCHEDULE.

RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For income of a taxable value not exceeding £546 the rate of tax shall be calculated from the following formula:—

R=rate of tax in pence per pound sterling.  
I=taxable income in pounds sterling.

$$R = \left( 3 + \frac{I}{181 \cdot 07} \right) \text{pence.}$$

(b) For income of a taxable value exceeding £546 but not exceeding £2,000 the rate of tax shall be calculated in the following manner—

The rate of the tax shall increase continuously with the increase of the taxable value of the income in a curve of the second degree in such a manner that the increment of tax per pound increase of taxable income shall be—

at a taxable income of	£546	...	11.713 pence
at a taxable income of	£600	...	12.768 pence
at a taxable income of	£700	...	14.672 pence
at a taxable income of	£800	...	16.512 pence
at a taxable income of	£900	...	18.288 pence
at a taxable income of	£1,000	...	20.000 pence
at a taxable income of	£1,500	...	27.600 pence
at a taxable income of	£2,000	...	33.600 pence

NOTE.—Amount of tax for taxable incomes of these amounts. Equivalent rate of—  
 £546... 13 8 .. 6.015 pence  
 £600... 16 8 .. 6.576 pence  
 £700... 22 8 .. 7.697 pence  
 £800... 28 18 .. 8.697 pence  
 £900... 35 18 .. 9.576 pence  
 £1,000... 43 17 .. 10.543 pence  
 £1,500... 57 15 9 .. 15.000 pence  
 £2,000... 67 15 7 .. 19.983 pence

(c) For income of a taxable value exceeding £2,000 the rate of tax shall be calculated in the following manner—

For so much of taxable value as does not exceed £6,500, the rate of tax shall increase continuously with the increase of the taxable value of the income in a curve of the third degree in such a manner that the increment of tax per pound increase of taxable income shall be —

at a taxable income of	£2,000	...	33.600 pence
at a taxable income of	£2,500	...	40.000 pence
at a taxable income of	£3,000	...	45.300 pence
at a taxable income of	£3,500	...	49.600 pence
at a taxable income of	£4,000	...	53.000 pence
at a taxable income of	£4,500	...	55.600 pence
at a taxable income of	£5,000	...	57.500 pence
at a taxable income of	£5,500	...	58.800 pence
at a taxable income of	£6,000	...	59.600 pence
at a taxable income of	£6,500	...	60.000 pence

NOTE.—Amount of tax for taxable incomes of these amounts. Equivalent rate of—  
 £2,000... 2187 16 7 .. 18.983 pence  
 £2,500... 284 12 11 .. 22.533 pence  
 £3,000... 323 13 7 .. 25.844 pence  
 £3,500... 332 14 0 .. 28.181 pence  
 £4,000... 339 14 5 .. 31.783 pence  
 £4,500... 342 19 7 .. 34.921 pence  
 £5,000... 346 18 1 .. 38.523 pence  
 £5,500... 348 2 11 .. 38.493 pence  
 £6,000... 1,065 11 1 .. 40.222 pence  
 £6,500... 1,180 4 0 .. 41.780 pence

For every pound sterling of taxable income in excess of £6,500 the rate of tax shall be sixty pence.

1915.

*Income Tax.*

No.

3

**THIRD SCHEDULE.****RATE OF TAX ON THE INCOME OF A COMPANY.**

**For every pound sterling of the taxable income of a company the rate of tax shall be one shilling and sixpence.**

