

1926-27.

THE PARLIAMENT OF THE COMMONWEALTH.

HOUSE OF REPRESENTATIVES.

IN COMMITTEE OF WAYS AND MEANS.

Mr. Earle Page: To move—

1. That a tax be imposed on income derived from sources in Australia at the following amounts and rates, namely:—

A.—Rate of Tax upon Income Derived from Personal Exertion.

For so much of the whole taxable income as does not exceed £7,600 the average rate of tax per pound sterling shall be Threepence and three eight-hundredths of one penny where the taxable income 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.

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

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

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

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

B.—Rate of Tax upon Income Derived from Property.

(a) For such part of the taxable income as does not exceed £546 the average rate of tax per pound sterling shall be that given by the following formula:—

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

$$R = \left(3 + \frac{I}{181.058} \right) \text{ pence.}$$

(b) For such part of the taxable income as exceeds £546 but does not exceed £2,000, the additional tax for each additional pound of taxable income above £546 shall increase continuously with the increase of the taxable income in a curve of the second degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

11.713 pence for the pound sterling between £545 10s. Od. and £546 10s. Od.
12.768 pence for the pound sterling between £599 10s. Od. and £600 10s. Od.
14.672 pence for the pound sterling between £699 10s. Od. and £700 10s. Od.
16.512 pence for the pound sterling between £799 10s. Od. and £800 10s. Od.
18.288 pence for the pound sterling between £899 10s. Od. and £900 10s. Od.
20.000 pence for the pound sterling between £999 10s. Od. and £1,000 10s. Od.
27.600 pence for the pound sterling between £1,499 10s. Od. and £1,500 10s. Od.
33.600 pence for the pound sterling between £1,999 10s. Od. and £2,000 10s. Od.

(c) For such part of the taxable income as exceeds £2,000, but does not exceed £6,500, the additional tax for each additional pound of taxable income above £2,000 shall increase continuously with the increase of the taxable income in a curve of the third degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

33·600 pence for the pound sterling between £1,999 10s. Od. and £2,000 10s. Od.
40·000 pence for the pound sterling between £2,499 10s. Od. and £2,500 10s. Od.
45·300 pence for the pound sterling between £2,999 10s. Od. and £3,000 10s. Od.
49·600 pence for the pound sterling between £3,499 10s. Od. and £3,500 10s. Od.
53·000 pence for the pound sterling between £3,999 10s. Od. and £4,000 10s. Od.
55·600 pence for the pound sterling between £4,499 10s. Od. and £4,500 10s. Od.
57·500 pence for the pound sterling between £4,999 10s. Od. and £5,000 10s. Od.
58·800 pence for the pound sterling between £5,499 10s. Od. and £5,500 10s. Od.
59·600 pence for the pound sterling between £5,999 10s. Od. and £6,000 10s. Od.
60·000 pence for the pound sterling between £6,499 10s. Od. and £6,500 10s. Od.

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

C.—Rates of Tax in respect of Taxable Income Derived Partly from Personal Exertion and Partly from Property.

(a) For every pound sterling of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Subdivision A if the total taxable income of the taxpayer were derived exclusively from personal exertion by the amount of the total taxable income.

(b) For every pound sterling of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Subdivision B if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

D.—Additional Tax.

In addition to the tax payable under the preceding provisions, there shall be payable, in the case of incomes in respect of which the tax is calculated under Subdivision A, B or C, an additional tax equal to eight per centum of the amount of the tax so calculated.

E.—Tax payable where amount would otherwise be less than Ten shillings.

Notwithstanding anything contained in the preceding provisions, where a person would, apart from this provision, be liable to pay income tax of an amount less than Ten shillings, the tax payable by that person shall be Ten shillings.

F.—Rate of Tax payable by a Trustee.

For every pound sterling of the taxable income in respect of which a Trustee is liable to be separately assessed and to pay tax, the rate of tax shall be at the rate which would be payable under Subdivision A, B or C, as the case requires, if one individual were liable to be separately assessed and to pay tax on that taxable income.

G.—Rate of Tax payable by a Company.

Subject to the last preceding Subdivision, for every pound sterling of the taxable income of a Company, the rate of tax shall be One shilling.

2. That tax in accordance with the foregoing provisions of this resolution shall be levied and paid for the financial year beginning on the first day of July One thousand nine hundred and twenty-seven.

3. That the foregoing provisions of this resolution shall also apply to all assessments of income tax for financial years subsequent to that beginning on the first day of July One thousand nine hundred and twenty-seven made prior to the passing of the Act for the levying and payment of income tax for the financial year beginning on the first day of July One thousand nine hundred and twenty-eight.