

1926-27-28.

A BILL

FOR

AN ACT**To impose Taxes 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* 1928. Short title.
- 5 2. The *Income Tax Assessment Act* 1922-1928 shall be incorporated and read as one with this Act. Incorporation.
3. Income tax is imposed at the rates and amounts declared in this Act. Imposition of income tax.
- 10 4.—(1.) The rate of the income tax in respect of income from personal exertion shall be as set out in the First Schedule to this Act. Rates of income tax.
- (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 rates of the income tax in respect of a total taxable income derived partly from personal exertion and partly from property shall be as set out in the Third Schedule to this Act.
- 15 (4.) Notwithstanding anything contained in the last three preceding sub-sections, where a person would, apart from this sub-section, be liable to pay income tax of an amount less than Ten shillings the tax payable by that person shall be Ten shillings.

[74]—150/4.9.1928.—F.1623.

(5.) The

(5.) The rate of the income tax payable by a trustee shall be as set out in the Fourth Schedule to this Act.

(6.) Subject to the last preceding sub-section, the rates of the income tax payable by a company shall be as set out in the Fifth Schedule to this Act.

Additional tax.

5. In addition to the tax payable under the preceding provisions of this Act, there shall be payable, in the case of incomes in respect of which the tax is calculated under the First, Second or Third Schedules, an additional tax equal to eight per centum of the amount of the tax so calculated.

Levy of income tax.

6.—(1.) Income tax shall be levied and paid for the financial year beginning on the first day of July One thousand nine hundred and twenty-eight.

(2.) This Act shall also apply to all assessments for financial years subsequent to that beginning on the first day of July One thousand nine hundred and twenty-eight made prior to the passing of the Act for the levying and payment of the income tax for the financial year beginning on the first day of July One thousand nine hundred and twenty-nine.

1928.

Income Tax.

No.

THE SCHEDULES.

FIRST SCHEDULE.

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.

SECOND SCHEDULE.

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

(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. and £2,000 10s.
40.000 pence for the pound sterling between	£2,499 10s. and £2,500 10s.
45.300 pence for the pound sterling between	£2,999 10s. and £3,000 10s.
49.600 pence for the pound sterling between	£3,499 10s. and £3,500 10s.
53.000 pence for the pound sterling between	£3,999 10s. and £4,000 10s.
55.600 pence for the pound sterling between	£4,499 10s. and £4,500 10s.
57.500 pence for the pound sterling between	£4,999 10s. and £5,000 10s.
58.800 pence for the pound sterling between	£5,499 10s. and £5,500 10s.
59.600 pence for the pound sterling between	£5,999 10s. and £6,000 10s.
60.000 pence for the pound sterling between	£6,499 10s. and £6,500 10s.

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

THE SCHEDULES

THE SCHEDULES—*continued.*

THIRD SCHEDULE.

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 the First Schedule 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 the Second Schedule if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

FOURTH SCHEDULE.

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 the rate which would be payable under the First, Second or Third Schedules, as the case requires, if one individual were liable to be separately assessed and to pay tax on that taxable income.

FIFTH SCHEDULE.

RATES OF TAX PAYABLE BY A COMPANY.

(a) Subject to the last preceding Schedule, for every pound sterling of the taxable income of a company, the rate of tax shall be One shilling.

(b) For every pound sterling of interest paid or credited by the company to any person who is an absentee, in respect of debentures of the company, or on money lodged at interest with the company by such person, the rate of tax shall be One shilling.