



ANNO TERTIO

GEORGI VI REGIS.

A.D. 1939.

No. 12 of 1939.

An Act to prescribe the rates of tax payable upon income derived during the financial year ended on the thirtieth day of June, nineteen hundred and thirty-nine, and during certain other periods, and for purposes incidental thereto.

[Assented to 26th October, 1939.]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

- Short title.** **1.** This Act may be cited as the "Income Tax (Rates) Act, 1939".
- Incorporation.** **2.** This Act is incorporated with the Income Tax Assessment Act, 1936, and that Act and this Act shall be read as one Act.
- Application of rates prescribed by this Act.** **3.** The rates of income tax prescribed by this Act shall apply—
- (a) in respect of all assessments of income derived during the financial year ended on the thirtieth day of June, nineteen hundred and thirty-nine, or any accounting period lawfully adopted in lieu thereof; and
- (b) in respect of all assessments of income derived during any subsequent year of income or accounting period or any part of any subsequent year of income or accounting period, where those assessments are made before the passing of the Act fixing the rates of income tax for the financial year commencing on the first day of July, nineteen hundred and forty.

4. Where the whole taxable income of a taxpayer is income derived from personal exertion the rate of income tax payable on every pound of the taxable income shall be as follows :—

Rates on income derived from personal exertion.

- (a) If the taxable income does not exceed one thousand pounds, the rate shall be seventeen pence plus two one-thousandths of a penny where the taxable income is one pound, and shall increase uniformly by two one-thousandths of a penny for each increase of one pound in the taxable income :
- (b) If the taxable income exceeds one thousand pounds, but does not exceed seven thousand pounds, the rate shall be nineteen pence plus six one-thousandths of a penny where the taxable income is one thousand and one pounds, and shall increase uniformly by six one-thousandths of a penny for each increase of one pound in the taxable income :
- (c) If the taxable income exceeds seven thousand pounds, the rate shall be fifty-five pence.

5. Where the whole taxable income of a taxpayer is income derived from property, the rate of income tax for every pound of the taxable income shall be as follows :—

Rates on income derived from property.

- (a) If the taxable income does not exceed one thousand pounds, the rate shall be twenty-six pence plus two one-thousandths of a penny where the taxable income is one pound, and shall increase uniformly by two one-thousandths of a penny for each increase of one pound in the taxable income :
- (b) If the taxable income exceeds one thousand pounds, but does not exceed seven thousand pounds, the rate shall be twenty-eight pence plus six one-thousandths of a penny where the taxable income is one thousand and one pounds, and shall increase uniformly by six one-thousandths of a penny for each increase of one pound in the taxable income :
- (c) If the taxable income exceeds seven thousand pounds the rate shall be sixty-four pence.

6. (1) Where the taxpayer is not a returned soldier or returned nurse, and is a resident of the State, and was on the last day of the year of income or of the period in which the income was derived an unmarried person of the age of twenty-one years or upwards, a male divorced person who had not remarried and had no children, or a widower without children,

Rates payable by unmarried persons and others.

the rates of tax for every pound of the taxable income shall be as follows :—

- (a) Where the whole taxable income is income derived from personal exertion and does not exceed one thousand pounds, the rate shall be twenty-five pence plus two one-thousandths of a penny where the taxable income is one pound, and shall increase uniformly by two one-thousandths of a penny for each increase of one pound in the taxable income :
- (b) Where the whole taxable income is income derived from personal exertion and exceeds one thousand pounds, but does not exceed seven thousand pounds, the rate shall be twenty-seven pence plus six one-thousandths of a penny where the taxable income is one thousand and one pounds, and shall increase uniformly by six one-thousandths of a penny for each increase of one pound in the taxable income :
- (c) Where the whole taxable income is income derived from personal exertion and exceeds seven thousand pounds, the rate shall be sixty-three pence :
- (d) Where the whole taxable income is income derived from property and does not exceed one thousand pounds, the rate shall be thirty pence plus two one-thousandths of a penny where the taxable income is one pound, and shall increase uniformly by two one-thousandths of a penny for each increase of one pound in the taxable income :
- (e) Where the whole taxable income is income derived from property and exceeds one thousand pounds but does not exceed seven thousand pounds, the rate shall be thirty-two pence plus six one-thousandths of a penny where the taxable income is one thousand and one pounds, and shall increase uniformly by six one-thousandths of a penny for each increase of one pound in the taxable income :
- (f) Where the whole taxable income is income derived from property and exceeds seven thousand pounds, the rate shall be sixty-eight pence.

(2) Where the taxpayer is a person who would otherwise be taxable at the rates mentioned in subsection (1) of this section, but had a parent, or a brother or sister under sixteen years of age at the commencement of the year of income resident in Australia and wholly or mainly dependent upon his earnings during the whole of that year of income, the rates of tax on income derived by him shall be those specified in sections 4, 5, and 7.

(3) In this section—

“ returned soldier ” means a male person who enlisted for service outside Australia in the war which commenced on the fourth day of August, nineteen hundred and fourteen, as a member of the Australian Imperial Forces, or the Royal Australian Navy, or His Majesty’s Army or Navy, or any naval or military force raised in any country forming part of His Majesty’s dominions, for service in the said war outside the country :

“ returned nurse ” means a nurse who served outside Australia during the said war in connection with any military or naval force of Great Britain or any of the dominions.

7. Where the taxable income of any taxpayer is derived partly from personal exertion and partly from property, the income tax shall be at the following rates :— Rates on mixed incomes.

- (a) On that part of the taxable income which is derived from personal exertion, income tax shall be payable at the rate at which it would have been payable on the whole of the taxable income of the taxpayer, if the whole of that income had been derived from personal exertion :
- (b) On that part of the taxable income which is derived from property, income tax shall be payable at the rate at which it would have been payable on the whole of the taxable income of the taxpayer if the whole of that income had been derived from property.

8. (1) Where the taxpayer is a trustee—

Rates payable by trustees.

- (a) if the beneficiary is presently entitled to the income, but is under a legal disability, the rate of tax shall be that which would be applicable if the income were directly received by the beneficiary ; and
- (b) if there is no beneficiary presently entitled to the income, the rate shall be that which would be applicable if the income were that of an individual taxpayer taxable at the rates mentioned in sections 4, 5, and 7 in his sole individual right.

(2) Where the taxpayer is the executor or administrator of a deceased taxpayer, the rate on income derived by him as executor or administrator shall be that which would apply if the deceased taxpayer were living and had been assessed on that income.

Rates payable
by companies.

9. (1) Subject to section 8 of this Act the rate of income tax on income derived by a company shall be twenty-four pence in the pound.

(2) Where interest is paid or credited by a company to any person who is a non-resident of Australia—

(a) on money secured by debentures of the company and used in the State, or used in acquiring assets for use or disposal in the State ; or

(b) on money lodged at interest in the State with the company,

the rate of tax for every pound of interest so paid or credited shall be twenty-four pence.

Exemption
from tax of
basic wage
earner.

10. (1) Where the taxpayer has a spouse and at least one child under the age of sixteen years at the commencement of the year of income, wholly dependent on him or her throughout the whole of the year of income, and the net income of such taxpayer does not exceed one hundred and ninety-nine pounds, the taxpayer shall be exempt from the tax imposed by this Act.

(2) In this section "net income" means the assessable income of the taxpayer less all allowable deductions other than the statutory exemption and the concessional deductions.

Minimum tax.

11. Where the income tax payable by a taxpayer would, if this section had not been enacted, be less than ten shillings, the sum of ten shillings shall nevertheless be payable.

In the name and on behalf of His Majesty, I hereby assent to this Bill.

C. M. BARCLAY-HARVEY, Governor.