



ANNO DECIMO SEXTO

# GEORGI V REGIS.

A.D. 1925.

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## No. 1718.

An Act to amend the Taxation Acts, 1915 to 1924,  
and for other purposes.

[Assented to, January 6th, 1926.]

**BE** it Enacted by the Governor of the State of South Australia,  
with the advice and consent of the Parliament thereof, as  
follows:—

1. (1) This Act may be cited alone as the "Taxation Act, 1925." Short titles.

(2) The Taxation Acts, 1915 to 1924, and this Act may be cited  
together as the "Taxation Acts, 1915 to 1925."

(3) The Taxation Act, 1915, is hereinafter referred to as "the No. 1200 of 1915.  
principal Act."

2. This Act is incorporated with the other Acts mentioned in Incorporation.  
section 1 of this Act, and those Acts and this Act shall be read as  
one Act.

3. Section 4 of the principal Act is amended by adding at the end Amendment of  
principal Act, s. 4—  
Definition.  
of the definition of "Income consisting of the produce of property"  
the words "but in the case of an annuity which has been purchased  
does not include that part of the annuity which represents the  
purchase price".

4. Part II. of the principal Act is amended by inserting after Remission of taxes  
in certain cases.  
section 7A therein the following section—

7B. If the Commissioner is satisfied—

- (i.) that a taxpayer liable to pay income tax has become  
bankrupt or insolvent; or (ii.) that

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(ii.) that a taxpayer liable as aforesaid is by reason of age, infirmity, loss, or other cause so situated that the exaction of the full amount of income tax would entail serious hardship; or

(iii.) that owing to the death of a person who, if he had lived, would have paid income tax, the dependants of that person are in such circumstances that the exaction of the full amount of tax would entail serious hardship,

he may release the taxpayer or the executor or administrator of the deceased person (as the case may be) wholly or in part from his liability, and may make such entries, alterations, and amendments as may be necessary to give effect to such release.

Amendment of  
principal Act, s. 19—  
New rates of tax.

5. Section 19 of the principal Act (as enacted by the Taxation Act Amendment Act, 1918) is hereby repealed and the following section is hereby enacted in lieu thereof:—

19. (1) The income tax on income derived from personal exertion shall be at the following rates:—

(a) For so much of the whole taxable amount of income derived from personal exertion as does not exceed Four Thousand Four Hundred Pounds, the rate of tax per Pound sterling shall be Five Pence and One Two-hundredth of a 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 One Two-hundredth of a Penny.

(b) For every Pound sterling of the taxable amount of income derived from personal exertion in excess of Four Thousand Four Hundred Pounds the rate of tax shall be Twenty-seven Pence.

(2) The income tax on income consisting of the produce of property shall be at the following rate:—

(a) For so much of the whole taxable amount of income consisting of the produce of property as does not exceed Four Thousand Two Hundred Pounds, the rate of tax per Pound sterling shall be Eleven Pence and One Two-hundredth of a 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 One Two-hundredth of a Penny.

(b) For every Pound sterling of the taxable amount of income consisting of the produce of property in excess of Four Thousand Two Hundred Pounds, the rate of tax shall be Thirty-two Pence.

(3) Notwithstanding

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(3) Notwithstanding anything contained in this Act, the income tax payable by any male person residing in South Australia—

(a) who on the last day of the period for which the income is calculated was unmarried or was a widower without children and up till such day had not enlisted for active service; and

(b) the net amount of whose income (before making the deduction provided for by subdivision xi. of section 22) is not less than One Hundred Pounds,

shall be One Pound Five Shillings, in addition to any other income tax which may be payable by such person apart from this subsection.

(4) In the case of the income of a taxpayer being a company carrying on the business of life insurance, the income tax payable on such income shall be at one-half the rates provided for by this section.

6. Section 26 of the principal Act is amended—

(a) by striking out paragraph v. thereof; and

(b) by inserting at the end thereof the following new paragraph:—

VII. Any debts except bad debts proved to be such to the satisfaction of the Commissioner, and doubtful debts to the extent that they are respectively estimated to be bad. In the case of bankruptcy or insolvency of a debtor, the amount which may reasonably be expected to be received on any such debt shall be deemed to be the value thereof: Provided that all amounts recovered on account of any such debts which have been allowed as deductions from income in arriving at the taxable amount for any assessment of income tax shall be included as income of the period or year in which the same were recovered.

Amendment of  
principal Act, s. 26—  
Deduction for bad  
debts.

7. Part V. of the principal Act is amended by inserting after section 26 therein the following section:—

26A. In calculating the taxable amount of income there may be deducted by the taxpayer—

(i.) Sums expended by the taxpayer during the year in which the income was derived for repairs to or on that part of any property occupied for the purpose of producing income or from which income is derived or is deemed to have been derived and for the repair of any machinery, implements, utensils, rolling-stock, and articles employed by the taxpayer for the purpose of producing income;

(ii.) Such

Amendment of  
principal Act,  
Part V.—

Deduction for  
repairs, depreciation,  
etc.

Cf. Commonwealth  
Act, No. 37 of 1922,  
s. 23.

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- (ii.) Such sum as the Commissioner thinks just and reasonable as representing the diminution in value per centum by wear and tear during the year in which the income was derived of any machinery, implements, utensils, rolling-stock, and articles (including beasts of burden and working beasts) used by the taxpayer for the purpose of producing income, such wear and tear not being of a kind that may be made good by repairs; or at the option of the taxpayer, signified by written notice to the Commissioner within one month after the coming into operation of this Act, in the case of machinery, implements, utensils, rolling-stock, and articles in use for the production of income on the first day of July, nineteen hundred and twenty-four, a sum equal to ten per centum of the cost price of such machinery, implements, utensils, rolling-stock, and articles in each year for a period of ten years: Provided that should the taxpayer dispose of such machinery, implements, utensils, rolling-stock, and articles, the total sum to be allowed as a deduction under this provision shall be reduced by the amount received for the sale or transfer of such machinery, implements, utensils, rolling-stock, and articles.

Provided that—

- (a) Where a deduction has been allowed during the year in which the income was derived under paragraph (i.) of this section the Commissioner shall take into consideration the sum so allowed in determining the sum to be allowed under this paragraph.
- (b) In any case in which machinery, implements, utensils, rolling-stock, and articles (including beasts of burden and working beasts) are acquired from one party by another party for valuable consideration of a value in excess of the value to which the cost price of the machinery, implements, utensils, rolling-stock, and articles (including beasts of burden and working beasts) had been reduced by the amount of the deduction for depreciation allowed by the Commissioner under this provision the party acquiring the machinery, implements, utensils, rolling-stock, and articles (including beasts of burden and working beasts) shall not be entitled to any greater deduction under this paragraph than that which would have been allowed to the party from whom they were acquired if he had retained them. Where, however, the Commissioner is satisfied that

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that the circumstances are such that a deduction under this provision based upon the actual amount of the consideration given should be allowed the deduction calculated on that basis may be allowed ;

- (iii.) The annual sum necessary to recoup the expenditure covenanted to be made on improvements on land by a lessee who has no tenant rights in the improvements. The deduction under this provision shall be ascertained by dividing the amount (not exceeding the sum specified in the covenant) expended on the improvements by the lessee by the number of years in the unexpired period of the lease at the date the improvements were effected.

8. Part VI. of the principal Act is amended by inserting after section 39 thereof the following sections :—

Amendment of principal Act, Part VI.—

39A. (1) Where a company is being wound up the public officer of that company shall give notice of the winding up to the Commissioner within fourteen days after the approval of the shareholders for the winding up has been given, or the order for the winding up has been made.

Notice by public officer of liquidation of company.

(2) Any public officer who fails to comply with this section shall be guilty of an offence against this Act, and shall be liable to a penalty not exceeding Fifty Pounds.

39B. (1) Where an agent or attorney for a party permanently or temporarily absent from the State has been required by his principal to wind up the business of his principal, he shall, before taking any steps to wind up the business, notify the Commissioner of his intention so to do, and he shall set aside such sum out of the assets of the principal as appears to the Commissioner to be sufficient to provide for any income tax that becomes payable.

Notice of winding up by agents for absent principals.

(2) An agent who fails to give notice to the Commissioner or fails to provide for payment of the tax as required by this section shall be personally liable for any income tax that becomes payable in respect of the business of the principal.

9. Subsection (2) of section 52 of the principal Act (as enacted by section 7 of the Taxation Act Amendment (Miscellaneous Provisions) Act, 1917, and amended by the Schedule to the Taxation Act, 1924) is amended by striking out the word " interest " in the seventh line thereof and inserting in lieu thereof the word " fine."

Amendment of principal Act, s. 52 (2)—

Consequential amendment.

10. Section 80 of the principal Act is amended by adding at the end thereof the following subsection :—

Amendment of principal Act, s. 80—  
Time of setting down appeals.

(5) Any appeal which has not been set down for hearing within twelve months after the giving of any general or particular

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particular notice of any assessment or of any altered, corrected, or additional assessment, shall be deemed to have been withdrawn, and the Court shall not have jurisdiction to determine such an appeal.

Amendment of  
1337 of 1918, s. 10—  
Tax on refunds of  
Commonwealth tax.

**11.** Section 10 of the Taxation Act Amendment Act, 1918, is amended by adding at the end of subsection (1) thereof the following proviso :—

Provided that when a taxpayer receives a refund of the whole or any part of the taxes mentioned in this section the amount of such refund shall be brought into account as income in the year in which the refund is received.

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

TOM BRIDGES, Governor.