

1914-15-16.

 THE PARLIAMENT OF THE COMMONWEALTH.

No. 130.

VOTES AND PROCEEDINGS

OF THE

 HOUSE OF REPRESENTATIVES.

TUESDAY, 19TH DECEMBER, 1916.

1. The House met, at eleven o'clock a.m., pursuant to adjournment.—Mr. Speaker took the Chair, and read Prayers.
2. PUBLIC WORKS COMMITTEE—REFERENCE OF WORKS—FLINDERS NAVAL BASE POWER HOUSE, ETC.
—Mr. Spence moved, pursuant to notice, That, in accordance with the provisions of the *Commonwealth Public Works Committee Act* 1913-14, the following work be referred to the Parliamentary Standing Committee on Public Works for their report thereon, viz. :—
Flinders Naval Base—Erection of Power House and Workshops, Officers' Quarters, and other lesser works required for that establishment.
Mr. Spence having laid on the Table plans, &c., in connexion with the proposed works—
Question—put and passed.
3. ENTERTAINMENTS TAX ASSESSMENT BILL.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—
Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

 (*In the Committee.*)

Clause 8—

On the motion of Mr. Poynton, after debate, the following amendments were made :—

Lines 6-7, omit "After the thirty-first day of October, One thousand nine hundred and sixteen," insert "On and after the day fixed by proclamation in pursuance of the last preceding section,".

At the end of the clause add the following sub-clause :—

"(2.) In all cases in which entertainments tax is collected by the proprietor of the entertainment or his agent, the tax so collected shall, until payment to the Commonwealth, be held by the proprietor of the entertainment or his agent as property of the Commonwealth."

Clause, as amended, agreed to.

Clauses 9 and 10 agreed to.

Clause 11 debated and agreed to.

Clause 12 debated—

On the motion of Mr. Poynton the following amendment was made :—

Line 5, after "philanthropic" insert "religious".

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Mr. Finlayson moved the following further amendment :—

Lines 5-7, omit " without any charge on the takings for any expenses of the entertainment ".

Debate ensued.

Amendment, by leave, withdrawn.

Clause, as amended, agreed to.

Clause 13 debated—

On the motion of Mr. Poynton, after debate, the following amendments were made :—

Line 18, after " philanthropic " insert " religious ".

Line 20, omit " twenty " insert " fifty ".

At end of clause add :—

" Provided that when the Commissioner is satisfied that owing to adverse climatic conditions the expenses of an entertainment for philanthropic religious or charitable purposes in respect of which payments for admission have been made exceed fifty per centum of the receipts, the Commissioner shall repay to the proprietor the amount of the entertainments tax paid in respect of the entertainment."

Clause, as amended, agreed to.

Clause 14 debated and agreed to.

Clause 15 agreed to.

Clause 16 debated and agreed to.

Clauses 17 to 21 agreed to.

Title agreed to.

Bill to be reported with amendments.

The House resumed ; Mr. Chanter reported accordingly.

Mr. Poynton moved, That the Bill be now recommitted to a Committee of the whole House for the reconsideration of clause 2.

Question—put and passed.

Mr. Speaker left the Chair, and the House again resolved itself into a Committee of the Whole.

(*In the Committee.*)

Clause 2 further considered and debated—

On the motion of Mr. Poynton the following further amendment was made :—

Page 2, line 6, after " person " insert " as a booking fee for admission or by a person ".

Clause, as further amended, agreed to.

Bill to be reported with a further amendment.

The House resumed ; Mr. Chanter reported accordingly.

Mr. Poynton moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.

Question—put and passed.

On the motion of Mr. Poynton, the House adopted the Reports, and, after debate, the Bill was read a third time.

4. WAYS AND MEANS—RESOLUTION—INCOME TAX.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(*In the Committee.*)

Mr. Poynton moved, That a tax be imposed on incomes derived from sources in Australia at the following rates, namely :—

RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

(a) For so much of the whole 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 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.

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

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

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RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

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

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

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

(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 tax on each additional pound 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 for one 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

(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 on each additional pound 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 for one 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

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

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.

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 the foregoing provisions, an additional tax equal to twenty-five per centum of the amount of the tax so calculated.

TAX PAYABLE IN CERTAIN CASES BY PERSONS NOT MARRIED AND HAVING NO DEPENDANTS.

Notwithstanding anything contained in the preceding provisions, the tax payable by any person who—

(a) is not married, has no dependants, and is not an absentee, and

(b) has a gross income of not less than One hundred pounds, or, in the case of a person carrying on business in Australia, has an income from the business which, after deducting from the gross income the deductions specified in paragraph (a) of sub-section (1.) of section eighteen of the *Income Tax Assessment Act 1915-1916* amounts, together with his income from all other sources in Australia, to not less than One hundred pounds, and

(c) would, apart from this provision, not be liable to pay an income tax of One pound or upwards,

shall be One pound.

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RATES OF TAX UPON THE INCOME OF A COMPANY.

(a) For every pound sterling of the taxable income of a Company which has not been distributed to the members or shareholders of the Company the rate of tax shall be one shilling and tenpence half-penny.

(b) For every pound sterling of the income of a Company distributed to the members shareholders or stockholders of the Company who are absentees and 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 sixpence.

Debate ensued.

Motion agreed to.

Resolution to be reported, and leave asked to sit again.

The House resumed; Mr. Chanter reported accordingly.

Resolved—That the House will, to-morrow, again resolve itself into the said Committee.

Mr. Poynton moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.

Question—put and passed.

The Resolution reported from the Committee was read, and, on the motion of Mr. Poynton, was adopted by the House.

Ordered—That Mr. Poynton and Mr. Hughes do prepare and bring in a Bill to carry out the foregoing Resolution.

5. INCOME TAX BILL (1916).—Mr. Poynton then brought up a Bill intituled "*A Bill for an Act to impose Taxes upon Incomes*," and moved, That it be now read a first time.

Question—put and passed.—Bill read a first time.

Mr. Poynton moved, That the Bill be now read a second time.

Question—put and passed.—Bill read a second time.

Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(*In the Committee.*)

Bill agreed to, and to be reported without amendment.

The House resumed; Mr. Chanter reported accordingly.

On the motion of Mr. Poynton, the House adopted the Report, and the Bill was read a third time.

6. INCOME TAX ASSESSMENT BILL (1916) (No. 2).—The Order of the Day having been read for the second reading—Mr. Poynton moved, That the Bill be now read a second time.

Question—put and passed.—Bill read a second time.

Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(*In the Committee.*)

Clause 1 agreed to.

Clause 2 debated—

On the motion of Mr. Poynton the following amendment was made:—

After paragraph (b) insert the following new paragraph:—

“and (c) by inserting, after the definition of ‘Person’ the following definition:—
“‘Shareholder’ includes stockholder.”

Clause, as amended, agreed to.

Clause 3 agreed to.

Clause 4—

On the motion of Mr. Poynton the following amendment was made:—

After paragraph (a) insert the following new paragraph:—

“(aa) by inserting in paragraph (f) after the word ‘business’ the words ‘and the income of a fund established by any will or instrument of trust for public charitable purposes if the Commissioner is satisfied that the fund is being applied by the trustees to public charitable purposes’;”

Clause, as amended, agreed to.

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Clause 5—

On the motion of Mr. Poynton, after debate, the following amendment was made :—

Omit paragraph (a) and insert the following new paragraphs :—

“(a) by inserting in paragraph (b) at the end of the third proviso the words ‘ but where it is proved to the satisfaction of the Commissioner that an amount standing to the credit of a profit and loss account before the first day of July One thousand nine hundred and fourteen, has been appropriated by a company for the purpose of crediting a dividend to the shareholders and the dividend or a part thereof is retained by the company for the purpose of paying for an increase in value or number of shares issued to the shareholders, the shareholders shall not be liable to pay tax on the dividend or the part of the dividend so retained ’ ;

“(ab) by inserting at the end of paragraph (d) the words ‘ and the amount of any payment received by a lessee upon the assignment or transfer of a lease to another person, after deducting therefrom the part (if any) which, in the opinion of the Commissioner, is properly attributable to the transfer of any assets belonging to the lessee and so much of any fine, premium, or foregift paid by the lessee or any amount paid by the lessee for the assignment or transfer of the lease as, in the opinion of the Commissioner, is properly attributable to the period of the lease unexpired at the time of the assignment or transfer by the lessee ’ .”

Clause, as amended, agreed to.

Clause 6 debated and agreed to.

Clauses 7 and 8 agreed to.

Clause 9—

On the motion of Mr. Poynton, after debate, the following amendment was made :—

At end of sub-clause (1.) add the following paragraph :—

“ and (k) by adding at the end of the sub-section the following paragraph :—

‘ and (m) the interest paid on a mortgage of land to which section fourteen paragraph (e) of this Act applies if the taxpayer satisfies the Commissioner that the mortgage was entered into in good faith ’ .”

Clause, as amended, debated and agreed to.

Clause 10—

Mr. Patten moved the following amendment :—

Line 31, omit “ Eleven ” and insert “ Twenty-two ”.

Amendment, after debate, negatived.

Clause agreed to.

Clause 11—

On the motion of Mr. Poynton the following amendment was made :—

Line 42, after “ amended ” insert “ (a) ”.

Page 6, at end of clause add the following paragraph :—

“ and (b) by omitting the proviso to paragraph (i) and inserting in its stead the following proviso :—

‘ Provided that where it is proved to the satisfaction of the Commissioner that any taxpayer (being the lessee under a lease or the assignee or transferee of a lease) has paid any fine, premium, or foregift, or consideration in the nature of a fine, premium, or foregift for a lease, or a renewal of a lease, or an amount for the assignment or transfer of a lease of premises or machinery used for the production of income, the Commissioner may allow, as a deduction for the purpose of arriving at the income, the sinking fund according to calculations based on the prescribed tables for the calculation of values required to recoup the taxpayer the amount so paid for the lease or renewal of the lease or the assignment or transfer of the lease ’ .”

Clause, as amended, agreed to.

Clause 12 debated and agreed to.

Clauses 13 to 17 agreed to.

Clause 18—

On the motion of Mr. Poynton the following amendments were made :—

Line 10, omit “ amendment ” insert “ amendments ”.

Line 10, after “ by ” insert “ paragraph (aa) of section five and ”.

Line 11, omit “ b ” insert “ c ”.

Clause, as amended, agreed to.

On the motion of Mr. Poynton the following new clause was added to the Bill :—

“ 5A. Section fifteen of the Principal Act is repealed.”

Title agreed to.

Bill to be reported with amendments.

The House resumed ; Mr. Chanter reported accordingly.

Mr. Poynton moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.

Question—put and passed.

On the motion of Mr. Poynton the House adopted the Report, and the Bill was read a third time.

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7. MESSAGE FROM THE SENATE.—UNLAWFUL ASSOCIATIONS BILL.—Mr. Speaker announced the receipt of the following Message from the Senate:—

MR. SPEAKER,

Message No. 143.

The Senate returns to the House of Representatives the Bill for "*An Act relating to Unlawful Associations and Members thereof and certain offences*," to which it has agreed without amendment.

The Senate,
Melbourne, 19th December, 1916.

THOS. GIVENS,
President.

8. MESSAGE FROM THE SENATE.—DAYLIGHT SAVING BILL.—Mr. Speaker announced the receipt of the following Message from the Senate:—

MR. SPEAKER,

Message No. 144.

The Senate returns to the House of Representatives the Bill for "*An Act to promote the Earlier Use of Daylight in Certain Months Yearly, and for other purposes*," to which it has agreed without amendment.

The Senate,
Melbourne, 19th December, 1916.

THOS. GIVENS,
President.

9. MESSAGE FROM THE SENATE.—INCOME TAX BILL.—Mr. Speaker announced the receipt of the following Message from the Senate:—

MR. SPEAKER,

Message No. 145.

The Senate returns to the House of Representatives the Bill for "*An Act to impose Taxes upon Incomes*," to which it has agreed without requests.

The Senate,
Melbourne, 19th December, 1916.

THOS. GIVENS,
President.

10. MESSAGE FROM THE SENATE.—ENTERTAINMENTS TAX ASSESSMENT BILL.—Mr. Speaker announced the receipt of the following Message from the Senate:—

MR. SPEAKER,

Message No. 146.

The Senate returns to the House of Representatives the Bill for "*An Act relating to the Imposition, Assessment, and Collection of a Tax upon Payments for Admission to Entertainments*," to which it has agreed with the amendment indicated by the annexed Schedule, in which amendment the Senate requests the concurrence of the House of Representatives.

The Senate,
Melbourne, 19th December, 1916.

THOS. GIVENS,
President.

SCHEDULE OF THE AMENDMENT MADE BY THE SENATE.

Page 4, clause 12, line 13, leave out "One penny", insert "Sixpence".

Ordered—That the foregoing Message be taken into consideration forthwith.
On the motion of Mr. Poynton the House agreed to the said Amendment.

11. MESSAGE FROM THE SENATE.—ENTERTAINMENTS TAX BILL.—Mr. Speaker announced the receipt of the following Message from the Senate:—

MR. SPEAKER,

Message No. 147.

The Senate returns to the House of Representatives the Bill for "*An Act to impose a Tax upon Payments for Admission to Entertainments*," to which it has agreed without requests.

The Senate,
Melbourne, 19th December, 1916.

THOS. GIVENS,
President.

12. PAPER.—The following Paper was presented, by command of His Excellency the Governor-General—

The War—

Typhus Epidemic at Gardelagen—Report by the Government Committee on the Treatment by the Enemy of British Prisoners of War during the spring and summer of 1915—
(Paper presented to the British Parliament.)

Ordered to lie on the Table.

13. ALTERATION OF TIME OF NEXT MEETING.—Mr. Hughes moved, That the House, at its rising, adjourn until half-past two o'clock p.m. to-morrow.
Question—put and passed.

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14. ADJOURNMENT.—Mr. Hughes moved, That the House do now adjourn.
Question—put and passed.

And then the House, at twenty-five minutes past eleven o'clock p.m., adjourned until to-morrow at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—General Abbott*, Mr. Brennan, Mr. Carr, Mr. Catts*, Mr. Chapman, Mr. Fleming, Mr. Mahon, Mr. McGrath*, Mr. Ozanne*, General Ryrie*, Mr. Watkins, Mr. West, and Mr. Yates*.

* On leave.

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