

1926-27.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

No. 132.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

WEDNESDAY, 30TH NOVEMBER, 1927.

1. The House met, at eleven o'clock a.m., pursuant to adjournment.—Mr. Speaker (the Honorable Sir Littleton Groom) took the Chair, and read Prayers.
2. PAPERS.—The following Papers were presented, by command of His Excellency the Governor-General—
 Tariff Board—Reports and Recommendations—
 Acetates for use in the manufacture of Acetic Acid.
 Bounty on Copper.
 Brushware.
 Doors of Wood.
 Feathers, undressed.
 Tool Handles of Wood.
 Severally ordered, after debate, to be printed.
3. INCOME TAX ASSESSMENT BILL (1927).—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.)

Postponed clause 9—

On the motion of Mr. Latham (Attorney-General), the following amendments were made, after debate:—

Page 4, line 9, omit "whole of his".

Page 4, line 10, omit "his business", insert "a business carried on by him".

Page 4, line 11, omit "his", insert "the".

Page 4, line 43, omit "his business", insert "a business carried on by him, or in consequence of the acquisition or resumption of land, used by him for a business carried on by him, under the provisions of any law of the Commonwealth or a State which contains provision for the compulsory acquisition or resumption of land".

Page 5, lines 2-3, omit "under the provisions of the next succeeding section," insert "by applying the provisions of sub-sections (2.) and (3.) of section seventeen of this Act,".

Clause, as amended, agreed to.

Postponed clause 10—

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

Page 5, line 12, omit "section", insert "sections".

Page 5, after line 12 insert:—

"16A. Where any person acquires any trading stock or live stock, otherwise than by purchase, in any manner specified in paragraph (h) of section sixteen of this Act he shall be deemed to have purchased that stock and the purchase price shall be deemed to be the amount which under that paragraph is found or determined as the price or value at which that stock was disposed of."

Purchase price of trading stock:

Page 5, lines 13-17, omit sub-section (1.), and insert in its stead the following sub-section:—

"(1.) Where sheep in the wool are sold or otherwise disposed of by one person to another person, the sale or disposal may, at the option of the purchaser to be declared upon making his return, for all purposes in connexion with the assessment of the income derived by the purchaser, be deemed to be a sale of sheep and wool as distinct from each other."

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Clause, as amended, agreed to.

Postponed clause 11—

Ordered—That the clause be considered by paragraphs.

Paragraph (a) agreed to.

Paragraphs (b) and (c) omitted, after debate.

Clause, as amended, agreed to.

Postponed clause 22 further considered—

The amendment previously moved by Mr. Latham (*see page 442*) was agreed to.

Clause, as amended, agreed to.

Postponed clause 23 further considered—

The amendment previously moved by Mr. Scullin (*see page 442*) was agreed to.

Clause, as amended, agreed to.

Postponed clause 29 agreed to.

New Clauses.—On the motion of Mr. Latham, the following new clauses were inserted in the Bill :—

1A. Section two of the Principal Act is amended by inserting before the word ^{Repeal.} “ schedule ” the word “ First ”.

2A. Section five A of the Principal Act is amended by omitting from sub-section ^{Application of Act to North and Central Australia.} (1.) the words “ Northern Territory by a resident of that Territory prior to the first day of July, One thousand nine hundred and twenty-seven ” and inserting in their stead the words “ Territory of North Australia or of Central Australia by a resident of either of those Territories prior to the first day of July, One thousand nine hundred and thirty-two.”

27A. The schedule to the Principal Act is amended by inserting after the word ^{Amendment of Schedule.} “ THE ” the word “ FIRST ”.

Title agreed to.

Bill to be reported with amendments.

The House resumed ; Mr. Watkins reported accordingly.

Mr. Latham moved, That the Bill be now recommitted to a Committee of the whole House for the reconsideration of clauses 9, 12, and 16.

Question—put and passed.

By leave of the House, the proceedings were interrupted.

4. LEAGUE OF NATIONS—EIGHTH ASSEMBLY—REPORT OF AUSTRALIAN DELEGATION—PRINTING OF PAPER.—Mr. Latham (Attorney-General) laid upon the Table, by command of His Excellency the Governor-General, the Report of the Australian Delegation to the Eighth Assembly of the League of Nations (5th September to 27th September, 1927), and moved, That the Paper be printed.

Ordered—That Mr. Latham have leave to continue his speech when the debate is resumed.

Ordered—That the debate be now adjourned, and that the resumption of the debate be made an Order of the Day for the next sitting.

5. INCOME TAX ASSESSMENT BILL (1927).—The proceedings (interrupted as above) were resumed.—Mr. Speaker left the Chair, and the House again resolved itself into a Committee of the Whole.

(*In the Committee.*)

On recommitment—

Clause 9—

Mr. Gregory moved, as an amendment, That the following words be added to the clause :—“ and (i) income derived by any person resident in Australia from investments outside Australia ”.

Debate ensued.

Mr. Gregory asked leave to withdraw the amendment.

Leave not granted.

Debate continued.

Question—That the words proposed to be added be so added—put.

The Committee divided—

Ayes, 20.

Noes, 34.

| | |
|------------------|-----------------|
| Mr. Anstey | Mr. E. C. Riley |
| Mr. Blakeley | Mr. Scullin |
| Mr. Brennan | Mr. Stewart |
| Mr. Charlton | Mr. Theodore |
| Mr. Coleman | Mr. Watkins |
| Mr. Forde | Mr. West |
| Mr. Albert Green | Mr. Yates |
| Mr. Gregory | |
| Mr. Lazzarini | <i>Tellers:</i> |
| Mr. McGrath | Mr. Fenton |
| Mr. Edward Riley | Mr. Makin |

| | |
|---------------------|---------------------|
| Mr. Aubrey Abbott | Mr. Latham |
| Mr. Atkinson | Mr. Lister |
| Mr. Bell | Mr. Mackay |
| Mr. Bruce | Mr. Marks |
| Mr. Donald Cameron | Mr. Marr |
| Mr. Malcolm Cameron | Mr. Nott |
| Mr. Robert Cook | Mr. Parkhill |
| Mr. Corser | Mr. Parsons |
| Mr. Duncan-Hughes | Mr. Thomas Paterson |
| Mr. R. W. Foster | Mr. Prowse |
| Mr. Josiah Francis | Mr. Rodgers |
| Mr. Gardner | Mr. Seabrook |
| Mr. Gibson | Mr. Thompson |
| Mr. Roland Green | Mr. William Watson |
| Mr. Hill | |
| Sir Neville Howse | <i>Tellers:</i> |
| Mr. Hurry | Mr. Hunter |
| Mr. Killen | Mr. Manning |

And so it was negatived.

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Clause agreed to.

Clause 12—

On the motion of Mr. Latham (Attorney-General), the following amendments were made :—

Page 6, after line 3 insert—

“(aa) by omitting from paragraph (a) of sub-section (1.) the words :—

‘ (a) all losses and outgoings (not being in the nature of losses and outgoings of capital) including commission, discount, travelling expenses, interest and expenses actually incurred in gaining or producing the assessable income : ’

and inserting in their stead the words :—

‘ (a) all losses and outgoings (including commission, discount, travelling expenses, interest and expenses and not being in the nature of losses and outgoings of capital) actually incurred in gaining or producing the assessable income : ’ ”.

Page 9, lines 28–37, omit—

“ ; and

‘ (r) In the case of a person who acquires, in any manner provided by paragraph (i) of section sixteen of this Act, any trading stock or live stock (not being live stock which in the opinion of the Commissioner was so acquired for use as beasts of burden or as working beasts)—the amount which under that paragraph is included in respect of the trading stock or live stock so acquired in the assessable income of the person from whom that trading stock or live stock was acquired ’ ”.

Clause, as amended, agreed to.

Clause 16 debated and agreed to.

Bill to be reported with further amendments.

The House resumed ; Mr. Bayley reported accordingly.

On the motion of Mr. Latham, the House, by leave, adopted the Reports, and, by leave, the Bill was read a third time.

6. MESSAGE FROM THE SENATE.—FORESTRY BUREAU BILL.—Mr. Speaker announced the receipt of the following Message from the Senate :—

MR. SPEAKER,

Message No. 104.

The Senate has passed a Bill for “ *An Act to provide for the Establishment of a Forestry Bureau,* ” and transmits the same to the House of Representatives for its concurrence.

JOHN NEWLANDS,
President.

The Senate,

Canberra, 30th November, 1927.

Mr. Bruce (Prime Minister) moved, That the Bill transmitted by the foregoing Message be now read a first time.

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

Ordered—That the second reading be made an Order of the Day for the next sitting.

7. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 2 be postponed until after Order of the Day No. 3, Government Business.

8. WAYS AND MEANS—INCOME TAX BILL (1927).—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Latham (Attorney-General) moved—

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.

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

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(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—

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|---|---------------------|-----------------|
| 11·713 pence for the pound sterling between | £545 10s. 0d. and | £546 10s. 0d. |
| 12·768 pence for the pound sterling between | £599 10s. 0d. and | £600 10s. 0d. |
| 14·672 pence for the pound sterling between | £699 10s. 0d. and | £700 10s. 0d. |
| 16·512 pence for the pound sterling between | £799 10s. 0d. and | £800 10s. 0d. |
| 18·288 pence for the pound sterling between | £899 10s. 0d. and | £900 10s. 0d. |
| 20·000 pence for the pound sterling between | £999 10s. 0d. and | £1,000 10s. 0d. |
| 27·600 pence for the pound sterling between | £1,499 10s. 0d. and | £1,500 10s. 0d. |
| 33·600 pence for the pound sterling between | £1,999 10s. 0d. and | £2,000 10s. 0d. |

(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. 0d. and | £2,000 10s. 0d. |
| 40·000 pence for the pound sterling between | £2,499 10s. 0d. and | £2,500 10s. 0d. |
| 45·300 pence for the pound sterling between | £2,999 10s. 0d. and | £3,000 10s. 0d. |
| 49·600 pence for the pound sterling between | £3,499 10s. 0d. and | £3,500 10s. 0d. |
| 53·000 pence for the pound sterling between | £3,999 10s. 0d. and | £4,000 10s. 0d. |
| 55·600 pence for the pound sterling between | £4,499 10s. 0d. and | £4,500 10s. 0d. |
| 57·500 pence for the pound sterling between | £4,999 10s. 0d. and | £5,000 10s. 0d. |
| 58·800 pence for the pound sterling between | £5,499 10s. 0d. and | £5,500 10s. 0d. |
| 59·600 pence for the pound sterling between | £5,999 10s. 0d. and | £6,000 10s. 0d. |
| 60·000 pence for the pound sterling between | £6,499 10s. 0d. and | £6,500 10s. 0d. |

(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.—Rates of Tax payable by a Company.

Subject to the last preceding Subdivision—

(a) 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.

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.

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Question—put and passed.

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

The House resumed ; Mr. Makin reported accordingly.

Resolved—That the House will, at a later hour this day, again resolve itself into the said Committee. Mr. Latham 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. Latham, was adopted by the House.

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

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

Debate ensued.

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, by leave, taken as a whole and agreed to.

Bill to be reported without amendment.

The House resumed ; Mr. Bayley reported accordingly.

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

9. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Bruce (Prime Minister) moved, That the House, at its rising, adjourn until eleven o'clock a.m. to-morrow.

Question—put and passed.

10. ADJOURNMENT.—Mr. Bruce (Prime Minister) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

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

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Bowden*, Mr. Grosvenor Francis, Mr. Jackson, Mr. Lacey, Mr. Lambert, Mr. Ley*, Mr. W. Maloney, Mr. Maxwell, Mr. Parker Moloney*, Mr. Nelson, Mr. Earle Page, Mr. Perkins, and Mr. Watt.

* On leave.

E. W. PARKES,
Clerk of the House of Representatives.