

1940-41-42.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,  
CANBERRA.

VOTES AND PROCEEDINGS  
OF THE  
HOUSE OF REPRESENTATIVES.

No. 79.

FRIDAY, 15TH MAY, 1942.

1. The House met, at half-past ten o'clock a.m., pursuant to adjournment.—Mr. Speaker (the Honorable W. M. Nairn) took the Chair, and read Prayers.
2. PAPERS. —The following Papers were presented, pursuant to Statute—
  - Australian Broadcasting Commission Act—Ninth Annual Report and Balance-sheet of the Australian Broadcasting Commission, for year 1940-41.
  - Lands Acquisition Act—Land acquired—For Defence purposes—
    - Burwood, New South Wales.
    - Lindenow, Victoria.
    - Mount Eba, South Australia.
  - National Security Act—
    - National Security (General) Regulations—Order—Control of tomato pulp.
    - National Security (Man Power) Regulations—Orders—Protected undertakings (22).
    - National Security (Minerals) Regulations—Order—Control of mica.

3. INCOME TAX (WAR-TIME ARRANGEMENTS) BILL 1942.—Mr. Chifley (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to make provision relating to the collection of taxes during the present war, and for other purposes.  
Question—put and passed.  
Mr. Chifley then brought up the Bill accordingly, and moved, That it be now read a first time.  
Question—put and passed.—Bill read a first time.  
Mr. Chifley moved, by leave, That the Bill be now read a second time.  
Mr. Fadden (Leader of the Opposition) moved, That the debate be now adjourned.  
Question—That the debate be now adjourned—put and passed.  
Ordered—That the resumption of the debate be made an Order of the Day for the next sitting.

4. MESSAGE FROM THE GOVERNOR-GENERAL.—STATES GRANTS (INCOME TAX REIMBURSEMENT) BILL 1942.—The following Message from His Excellency the Governor-General was presented, and was read by Mr. Speaker :—

GOWRIE,

*Governor-General.**Message No. 61.*

In accordance with the requirements of section fifty-six of the Constitution of the Commonwealth of Australia, the Governor-General recommends to the House of Representatives that an appropriation of revenue be made for the purposes of a Bill for an Act to make provision for the grant of financial assistance to States, and for other purposes.

Canberra, 15th May, 1942.

Ordered—That the foregoing Message be taken into consideration, in Committee of the whole House, forthwith.

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

*(In the Committee.)*

Mr. Chifley (Treasurer) moved, That it is expedient that an appropriation of revenue be made for the purposes of a Bill for an Act to make provision for the grant of financial assistance to States, and for other purposes.

Debate ensued.

Question—put and passed.

Resolution to be reported.

The House resumed ; Mr. Prowse reported accordingly.

Mr. Chifley moved, pursuant to contingent notice, That so much of the Standing Orders be suspended as would prevent the remaining stages being passed without delay.

Question—put and passed.

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

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

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Mr. Chifley then brought up the Bill accordingly, and moved, That it be now read a first time.

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

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

Mr. Fadden (Leader of the Opposition) moved, That the debate be now adjourned.

Question—That the debate be now adjourned—put and passed.

Ordered—That the resumption of the debate be made an Order of the Day for the next sitting.

5. INCOME TAX ASSESSMENT BILL 1942.—Mr. Chifley (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Income Tax Assessment Act 1936-1941*.

Question—put and passed.

Mr. Chifley then brought up the Bill accordingly, and moved, That it be now read a first time.

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

Mr. Chifley moved, by leave, That the Bill be now read a second time.

Mr. Fadden (Leader of the Opposition) moved, That the debate be now adjourned.

Question—That the debate be now adjourned—put and passed.

Ordered—That the resumption of the debate be made an Order of the Day for the next sitting.

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

(In the Committee.)

Mr. Chifley (Treasurer) moved—

1. That a tax be imposed upon incomes at the following rates :—

*Division A.—Rate of Tax in Respect of Taxable Income Derived from Personal Exertion.*

If the taxable income does not exceed £200, the rate of tax for every pound of taxable income up to and including £150 be 8 pence, and the rate of tax for every pound of taxable income in excess of £150 be 8.12 pence increasing uniformly by .12 of one penny for every pound by which the taxable income exceeds £151.

If the taxable income exceeds £200 but does not exceed £250 the rate of tax for every pound of taxable income up to and including £200 be 9.5 pence, and the rate of tax for every pound of taxable income in excess of £200 be 50.08 pence increasing uniformly by .08 of one penny for every pound by which the taxable income exceeds £201.

If the taxable income exceeds £250 but does not exceed £600 the rate of tax for every pound of taxable income up to and including £250 be 18.4 pence, and the rate of tax for every pound of taxable income in excess of £250 be 58.02 pence increasing uniformly by .02 of one penny for every pound by which the taxable income exceeds £251.

If the taxable income exceeds £600 but does not exceed £2,500 the rate of tax for every pound of taxable income up to and including £600 be 45.5833 pence and the rate of tax for every pound of taxable income in excess of £600 be 72.033 pence increasing uniformly by .033 of one penny for every pound by which the taxable income exceeds £601.

If the taxable income exceeds £2,500 but does not exceed £4,000, the rate of tax for every pound of taxable income up to and including £2,500 be 113.312 pence and the rate of tax for every pound by which the taxable income exceeds £2,500 be 198.006 pence increasing uniformly by .006 of one penny for every pound by which the taxable income exceeds £2,501.

If the taxable income exceeds £4,000 the rate of tax for every pound of taxable income up to and including £4,000 be 148.445 pence, and the rate of tax for every pound of taxable income in excess of £4,000 be 216 pence.

*Division B.—Rate of Tax in Respect of Taxable Income Derived from Property.*

If the taxable income does not exceed £200, the rate of tax for every pound of taxable income up to and including £150 be 10 pence, and the rate of tax for every pound of taxable income in excess of £150 be 10.15 pence increasing uniformly by .15 of one penny for every pound by which the taxable income exceeds £151.

If the taxable income exceeds £200 but does not exceed £250 the rate of tax for every pound of taxable income up to and including £200 be 11.875 pence, and the rate of tax for every pound of taxable income in excess of £200 be 62.6 pence increasing uniformly by .1 of one penny for every pound by which the taxable income exceeds £201.

If the taxable income exceeds £250 but does not exceed £600 the rate of tax for every pound of taxable income up to and including £250 be 23 pence, and the rate of tax for every pound of taxable income in excess of £250 be 72.525 pence increasing uniformly by .025 of one penny for every pound by which the taxable income exceeds £251.

If the taxable income exceeds £600 but does not exceed £2,100 the rate of tax for every pound of taxable income up to and including £600 be 56.9791 pence and the rate of tax for every pound of taxable income in excess of £600 be 90.04125 pence increasing uniformly by .04125 of one penny for every pound by which the taxable income exceeds £601.

If the taxable income exceeds £2,100 the rate of tax for every pound of taxable income up to and including £2,100 be 124.7619 pence, and the rate of tax for every pound of taxable income in excess of £2,100 be 216 pence.

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*Division C.—Rates of Tax in Respect of Taxable Income Derived Partly from Personal Exertion and Partly from Property.*

(a) For every pound 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 Division 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 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 Division B if the total taxable income of the taxpayer were derived exclusively from property, by the amount of the total taxable income.

*Division D.—Rates of Tax by Reference to an Average Income.*

(a) For every pound of the taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1942* applies, the rate of tax shall be ascertained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his average income, by that average income.

(b) For every pound of taxable income derived by him from property the rate of tax shall be ascertained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his average income, by that average income.

*Division E.—Rate of Tax by Reference to a Notional Income.*

(a) For every pound of the actual taxable income from personal exertion of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1942*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his notional income, by that notional income.

(b) For every pound of the actual taxable income from property of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1942*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his notional income, by that notional income.

*Division F.—Tax Payable on Certain Incomes of less than £200.*

Notwithstanding anything contained in the last five preceding Divisions, where, apart from this Division, the amount of income tax payable in respect of a taxable income of less than One hundred and seventy pounds would, after deducting all rebates to which a taxpayer is entitled in his assessment, be greater than fifty per centum of the amount by which the taxable income exceeds One hundred and fifty-six pounds, the income tax payable in respect of that taxable income shall be fifty per centum of the amount by which the taxable income exceeds One hundred and fifty-six pounds.

*Division G.—Tax Payable Where Amount Would Otherwise be Less than Ten Shillings.*

Notwithstanding anything contained in the last six preceding Divisions, where, apart from this Division, the amount of income tax which a person would be liable to pay after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

*Division H.—Rates of Tax Payable by a Trustee.*

For every pound of the taxable income in respect of which a trustee is liable, pursuant to either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1942*, to be assessed and to pay tax, the rate of tax shall be the rate which would be payable under Division A, B, C, D or E, as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

*Division I.—Rates of Tax Payable by a Company.*

(a) Subject to the last preceding Division, for every pound of the taxable income of a company the rate of tax shall be—

- (i) in the case of a company which is not a life assurance company—seventy-two pence ;
- (ii) in the case of a company which is a mutual life assurance company—sixty pence ; or
- (iii) in the case of a life assurance company, other than a mutual life assurance company—
  - (1) in respect of so much of that part of the taxable income which has been derived from its life assurance business as bears the same proportion to such part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits of the company's life assurance business for the same year of income—sixty pence ; and
  - (2) in respect of the remainder of the taxable income of the company—seventy-two pence.

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(b) Subject to the last preceding Division, for every pound of that portion of the taxable income of a company which has not been distributed as dividends on which the company is liable, pursuant to Part IIIA. of the *Income Tax Assessment Act 1936-1942*, to pay further tax, the rate of tax shall be twenty-four pence.

(c) For every pound of interest in respect of which a company is liable, pursuant to sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1942*, to pay income tax, the rate of tax shall be seventy-two pence.

*Division J.—Tax Payable where Amount would Otherwise Include Odd Pence.*

Notwithstanding anything contained in the preceding Divisions, if, apart from this Division, the income tax which a person, before deducting any rebate to which he is entitled in his assessment, would be liable to pay, leaves an amount of pence remaining when expressed in pounds and shillings—

(a) if the remaining pence do not exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings; or

(b) if the remaining pence exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings plus one shilling.

2. That, in addition to any income tax payable under the preceding provisions of this Resolution, there shall be payable upon the taxable income in excess of Five thousand pounds derived by a company a super-tax at the rate of twelve pence for every pound of that excess:

Provided that this paragraph shall not apply—

(a) to the assessment of a company as a trustee;

(b) to the income of a company to which section fourteen of the *War-time (Company) Tax Assessment Act 1940-1941* provides that that Act shall not apply; or

(c) to so much of that part of the taxable income of a life assurance company which has been derived from its life assurance business as bears the same proportion to such part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits of the company's life assurance business for the same year of income.

3. That tax in accordance with the preceding 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 forty-two.

4. That, until the commencement 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 forty-three, the foregoing provisions of this Resolution shall also apply for all financial years subsequent to that beginning on the first day of July, One thousand nine hundred and forty-two.

5. That in this Resolution the expression "*Income Tax Assessment Act 1936-1942*" means the *Income Tax Assessment Act 1936-1941* as proposed to be amended by the *Income Tax Assessment Bill 1942*.

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

The House resumed; Mr. Prowse reported accordingly.

Resolved—That the House will, at the next sitting, again resolve itself into the said Committee.

7. WIDOWS' PENSIONS BILL 1942.—The Order of the Day having been read for the resumption of the debate on the question, That the Bill be now read a second time—

Debate resumed.

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—

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

The House resumed; Mr. Prowse reported accordingly.

Resolved—That the House will, at the next sitting, again resolve itself into the said Committee.

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

Debate ensued.

Question—put and passed.

And then the House, at twenty-three minutes to six o'clock p.m., adjourned until Tuesday next at three o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. Beck, Sir George Bell, Mr. Blain\*, Mr. Coles, Mr. Evatt\*, Mr. Langtry, Mr. Lazzarini, Sir Charles Marr, Mr. Martens, Mr. Marwick, Mr. McCall, Mr. McLeod, Mr. Menzies, Mr. Mulcahy, Sir Earle Page\*, Mr. Perkins, Mr. Spender, Mr. Watkins, and Mr. White\*.

\* On leave.

F. C. GREEN,

Clerk of the House of Representatives.