

1950.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 59.

WEDNESDAY, 18TH OCTOBER, 1950.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—The Deputy Speaker (Mr. Adermann) took the Chair, and read Prayers.
2. PAPERS.—The following Papers were presented, pursuant to Statute—
 - Commonwealth Public Service Act—Appointments—Department—Defence—M. G. Maroney.
 - National Development—R. D. Pratten.
 - Customs Act and Commerce (Trade Descriptions) Act—Regulations—Statutory Rules 1950, No. 61.
 - Defence (Transitional Provisions) Act—Regulations—Statutory Rules 1950, No. 58.
 - Navigation Act—Regulations—Statutory Rules 1950, No. 60.
 - Superannuation Act—Regulations—Statutory Rules 1950, No. 59.
3. INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSMENT BILL 1950.—Mr. Fadden (Treasurer) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to amend the *Income Tax Assessment Act 1936-1949*, to repeal the *Social Services Contribution Act 1945-1949* and the *Social Services Contribution Assessment Act 1945-1948*, and for other purposes.
 Question—put and passed.
 Mr. Fadden 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. Fadden moved, by leave, That the Bill be now read a second time.
 Mr. Calwell 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. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 1 to 3 be postponed until after Order of the Day No. 4, Government Business.
5. WAYS AND MEANS—INCOME TAX AND SOCIAL SERVICES CONTRIBUTION.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Fadden (Treasurer) moved—

(1) That the contribution imposed by the *Social Services Contribution Act 1945-1949* be not imposed on income derived in any year of income after the year of income which ended on the thirtieth day of June, One thousand nine hundred and fifty.

(2) That a tax by the name of income tax and social services contribution be imposed upon incomes at the following rates :—

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Division A.—Basic Rates of Tax and Contribution.

The rate of income tax and social services contribution for every £1 of each part of the taxable income specified in the first column of the following table is the rate set out in the second column of that table opposite to the reference to that part of the taxable income :—

FIRST COLUMN. Parts of Taxable Income.	SECOND COLUMN. Rates.
The part of the taxable income which—	
does not exceed £100	One penny
exceeds £100 but does not exceed £150	6 pence
exceeds £150 but does not exceed £200	11 pence
exceeds £200 but does not exceed £250	16 pence
exceeds £250 but does not exceed £300	21 pence
exceeds £300 but does not exceed £400	26 pence
exceeds £400 but does not exceed £500	32 pence
exceeds £500 but does not exceed £600	38 pence
exceeds £600 but does not exceed £700	44 pence
exceeds £700 but does not exceed £800	48 pence
exceeds £800 but does not exceed £900	52 pence
exceeds £900 but does not exceed £1,000	56 pence
exceeds £1,000 but does not exceed £1,200	64 pence
exceeds £1,200 but does not exceed £1,400	72 pence
exceeds £1,400 but does not exceed £1,600	80 pence
exceeds £1,600 but does not exceed £1,800	88 pence
exceeds £1,800 but does not exceed £2,000	96 pence
exceeds £2,000 but does not exceed £2,400	104 pence
exceeds £2,400 but does not exceed £2,800	112 pence
exceeds £2,800 but does not exceed £3,200	120 pence
exceeds £3,200 but does not exceed £3,600	128 pence
exceeds £3,600 but does not exceed £4,000	136 pence
exceeds £4,000 but does not exceed £4,400	144 pence
exceeds £4,400 but does not exceed £5,000	152 pence
exceeds £5,000 but does not exceed £6,000	160 pence
exceeds £6,000 but does not exceed £8,000	168 pence
exceeds £8,000 but does not exceed £10,000	176 pence
exceeds £10,000	180 pence

Division B.—Rate of Tax and Contribution by Reference to an Average Income.

For every £1 of the taxable income derived by a taxpayer to whose income Division 16 of Part III. of the Assessment Act applies, the rate of income tax and social services contribution is the rate ascertained by applying the rates set forth in Division A. to a taxable income equal to his average income and dividing the resultant amount by that average income.

Division C.—Rate of Tax and Contribution by Reference to a Notional Income.

For every £1 of the taxable income of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the Assessment Act, the rate of income tax and social services contribution is the rate ascertained by dividing the tax and contribution which would be payable under Division A. upon a taxable income equal to his notional income by that notional income.

Division D.—Rates of Tax and Contribution Payable by a Trustee.

For every £1 of the taxable income in respect of which a trustee is liable, in pursuance of either section ninety-eight or section ninety-nine of the Assessment Act, to be assessed and to pay tax and contribution, the rate of income tax and social services contribution is the rate which would be payable under Division A., Division B. or Division C., as the case requires, if one individual were liable to be assessed and to pay tax and contribution on that taxable income.

Division E.—Further Rates of Tax and Contribution in Respect of Taxable Income Derived from Property.

The further rate of income tax and social services contribution for every £1 of each part of the taxable income derived from property specified in the first column of the following table is the rate set out in the second column of that table opposite to the reference to that part of that taxable income :—

FIRST COLUMN. Parts of Taxable Income Derived from Property.	SECOND COLUMN. Rates.
The part of the taxable income derived from property which—	
exceeds £100 but does not exceed £1,000	8 pence
exceeds £1,000 but does not exceed £4,000	16 pence
exceeds £4,000 but does not exceed £6,000	8 pence
exceeds £6,000 but does not exceed £10,000	4 pence

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Division F.—Rates of Tax and Contribution Payable by a Company, other than a Company in the Capacity of Trustee.

(a) In the case of a company which is not a life assurance company, the rates of income tax and social services contribution are—

- (i) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Sixty pence; and
- (ii) for every £1 of the remainder of the taxable income—Seventy-two pence.

(b) In the case of a mutual life assurance company, the rates of income tax and social services contribution are—

- (i) for every £1 of so much of the taxable income as does not exceed Five thousand pounds—Forty-eight pence; and
- (ii) for every £1 of the remainder of the taxable income—Sixty pence.

(c) In the case of a life assurance company other than a mutual life assurance company, the rates of income tax and social services contribution are—

- (i) for every £1 of so much of the mutual income, as defined in sub-section (1A.) of section one hundred and sixty c of the Assessment Act, as does not exceed Five thousand pounds—Forty-eight pence;
- (ii) for every £1 of the remainder of the mutual income, as so defined—Sixty pence;
- (iii) for every £1 of so much of the taxable income of the company, other than mutual income as so defined, as does not exceed the amount by which the mutual income, as so defined, is less than Five thousand pounds—Sixty pence; and
- (iv) for every £1 of that part of the taxable income to which none of the preceding sub-paragraphs of this paragraph applies—Seventy-two pence.

(d) For every £1 of that portion of the taxable income which has not been distributed as dividends, on which the company is liable, in pursuance of Part IIIA. of the Assessment Act, to pay further tax and contribution, the rate of further tax and contribution is Twenty-four pence.

(e) For every £1 of interest in respect of which a company is liable, in pursuance of sub-section (1.) of section one hundred and twenty-five of the Assessment Act, to pay income tax and social services contribution, the rate of income tax and social services contribution is Seventy-two pence.

(3) That, notwithstanding anything contained in this resolution, income tax and social services contribution be not imposed upon a taxable income which does not exceed One hundred and four pounds derived by a person who is not a company or derived by a company in the capacity of a trustee.

(4) That where, in the case of a person other than a company or in the case of a company in the capacity of a trustee, the taxable income or any part thereof is derived from property, and the total taxable income exceeds Four hundred pounds, the rates of income tax and social services contribution be—

- (a) the appropriate rate or rates specified in Division A., B., C. or D. in paragraph (2) of this resolution; and
- (b) in respect of so much of the taxable income derived from property as exceeds One hundred pounds but does not exceed Ten thousand pounds—the further rates set out in Division E. in paragraph (2) of this resolution.

(5) That, where the total taxable income does not exceed One thousand pounds, the amount of income tax and social services contribution payable by reason of sub-paragraph (b) of the last preceding paragraph in respect of taxable income derived from property do not exceed Twelve pence for every £1 by which the total taxable income exceeds Four hundred pounds.

(6) That where, apart from this paragraph, the amount of income tax and social services contribution which a person would be liable to pay in accordance with the preceding provisions of this resolution (other than Division F. in paragraph (2)), after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax and social services contribution payable by that person be Ten shillings.

(7) That where the taxable income derived by a company exceeds Five thousand pounds, the rates of income tax and social services contribution be—

- (a) the appropriate rate or rates specified in Division F. in paragraph (2) of this resolution; and
- (b) in respect of so much of the taxable income as exceeds Five thousand pounds—the further rate of Twelve pence for every £1 of that excess.

(8) That the last preceding paragraph do not apply to—

- (a) a company in the capacity of a trustee;
- (b) a private company as defined in section one hundred and three of the Assessment Act;
- (c) a co-operative company as defined in section one hundred and seventeen of the Assessment Act; or
- (d) a mutual life assurance company, as defined in sub-section (1A.) of section one hundred and sixty c of the Assessment Act, or the mutual income, as defined in that sub-section, of a life assurance company.

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(9) That where, apart from this paragraph, the income tax and social services contribution which a person would be liable to pay in accordance with the preceding provisions of this resolution, before deducting any rebate to which he is entitled in his assessment, leaves, when expressed in pounds and shillings, an amount of pence remaining—

- (a) if the remaining pence do not exceed six—the income tax and social services contribution payable by that person be the amount so expressed in pounds and shillings ; or
- (b) if the remaining pence exceed six—the income tax and social services contribution payable by that person be the amount so expressed in pounds and shillings plus One shilling.

(10) That, notwithstanding anything contained in the preceding provisions of this resolution, where a person has, in accordance with section two hundred and twenty-one H of the Assessment Act, forwarded to the Commissioner a tax stamps sheet or group certificate issued to him in respect of deductions made in a year from his salary or wages, and the difference between the available deductions and the income tax and social services contribution which would, apart from this paragraph, be payable by that person in respect of the taxable income derived by him in that year is not more than Two shillings, the income tax and social services contribution payable by that person in respect of that taxable income be an amount equal to the available deductions.

(11) That the last preceding paragraph do not apply—

- (a) in relation to a person who is liable to pay provisional tax and contribution in respect of his income of the year immediately succeeding the year referred to in that paragraph ; or
- (b) in any case in which the amount of income tax and social services contribution which would, apart from this paragraph, be payable is Ten shillings and the available deductions exceed Ten shillings.

(12) That, in the last two preceding paragraphs, “ the available deductions ” mean the sum of the amount represented by the face value of the tax stamps duly affixed to a tax stamps sheet referred to in paragraph (10) of this resolution and the amount of the deductions specified in a group certificate so referred to.

(13) That the income tax and social services contribution imposed by the preceding provisions of this resolution be levied and paid for the financial year which commenced on the first day of July, One thousand nine hundred and fifty, upon the taxable income derived during the year of income as defined by section six of the Assessment Act.

(14) That, until the commencement of the Act for the levying and payment of income tax and social services contribution for the financial year commencing on the first day of July, One thousand nine hundred and fifty-one, the provisions of the Act passed to give effect to this resolution also apply for all financial years subsequent to that which commenced on the first day of July, One thousand nine hundred and fifty.

(15) That provisional tax and contribution be imposed and be payable, in accordance with the provisions of the Assessment Act, in respect of income of the year of income ending on the thirtieth day of June, One thousand nine hundred and fifty-one.

(16) That, in this resolution, “ the Assessment Act ” mean the *Income Tax Assessment Act 1936-1949*, as proposed to be amended by the *Income Tax and Social Services Contribution Assessment Bill 1950*.

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

The House resumed ; Mr. Ryan reported accordingly.

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

6. SUPPLY BILL (No. 2) 1950-51.—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.

Mr. Pittard 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.

7. PAPERS.—The following Papers were presented, pursuant to Statute—

Commonwealth Public Service Act—Appointment—Department of the Interior—H. A. Johnson.
Seat of Government Acceptance Act and Seat of Government (Administration) Act—Ordinance—
1950—No. 7—Motor Traffic.

8. ADJOURNMENT.—Mr. Anthony (Postmaster-General) moved, That the House do now adjourn.

Question—put and passed.

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

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Mr. G. Anderson, Mr. A. G. Cameron, Mr. Chambers, Mr. Cramer, Mr. Eggins, Mr. Evatt, Mr. Falkinder, Mr. E. James Harrison, Mr. Eric J. Harrison, Mr. Kent Hughes, Dame Enid Lyons*, Mr. McEwen, Mr. O'Connor, Mr. Opperman, Mr. Rosevear, Mr. E. H. D. Russell, Mr. Spender, Mr. Townley and Mr. B. M. Wight.

* On leave.

A. A. TREGEAR,
Clerk-Assistant, House of Representatives.