Income Tax (Individuals) Bill 1978

Date Introduced: 28 September 1978
House: House of Representatives
Presented by: Hon. J. Howard, M.P., Treasurer

Short Digest of Bill

Purpose

To formally impose for 1978-79 the personal income tax rates applicable to individuals and trustees.

Background and Related Legislation

This Bill together with four other Bills (see Digest on Income Tax (Rates) Amendment Bill 1978, gives effect to taxation proposals announced in the 1978-79 Budget Speech. In particular the present Bill is complementary to the Income Tax (Rates) Act 1976 as proposed to be amended by the Income Tax (Rates) Amendment Bill 1978 which declares the rates of personal income tax to apply in 1978-79.

Provisions

Sub-clause 5(1) has the effect, when read in conjunction with clause 7, of formally imposing income tax payable by individuals and trustees for the 1978-79 financial year and, until the Parliament otherwise provides, for the following financial year. The rates will be as declared by the Income Tax (Rates) Act 1976 (as amended).

Sub-clause 5(2) excludes from the scope of the abovementioned Act (a) a company (other than a company in the capacity of a trustee); and (b) a person in the capacity of a trustee of a superannuation fund. Sub-clause 5(3) excludes from the scope of the Act withholding tax and tax payable on film and video tape royalties paid overseas.

Clause 6 provides for rebates, as set out below, to a small group of taxpayers who otherwise would have paid more tax in 1978-79 under the new standard rate system that has applied from 1 February 1978, with half indexation for 1978-79, than they would have under the previous personal income tax scale, fully indexed.
<table>
<thead>
<tr>
<th>Level of taxable or net income</th>
<th>Rebate</th>
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</thead>
<tbody>
<tr>
<td>Exceeding</td>
<td>Not Exceeding</td>
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<tr>
<td>$6,600 - $6,742</td>
<td>5% of the amount by which taxable or net income exceeds $6,600</td>
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<tr>
<td>$6,742 - $6,798</td>
<td>$7.10 less 3% of the excess of taxable or net income over $6,742.</td>
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Finance, Industries, Trade & Development Group  
LEGISLATIVE RESEARCH SERVICE  
10 October 1978