

# Supplementary Order Paper

## HOUSE OF REPRESENTATIVES

Thursday, the 31st Day of August 1967

LAND AND INCOME TAX AMENDMENT (NO. 2) BILL

*Amendments Proposed by His Excellency the Governor-General*

*Clause 7:* To add the following subclause:

(6) This section shall be deemed to have come into force on the fourth day of October, nineteen hundred and sixty-six (being the date of the passing of the Land and Income Tax Amendment Act 1966), and shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and sixty-six, and in every subsequent year.

*Clause 8, subclause (1):* To insert in the proposed subsection (2B) of section 103 of the principal Act, after the words "or disposition" in line 34, the words "and before the expiration of a period of three years after the end of the income year in which that sale or disposition took place".

*Clause 8, subclause (2):* To add to the proposed new subsection (3) of section 103 of the principal Act the following paragraph:

"(e) Every reference in this section to an income year shall, where the taxpayer furnishes a return of income under section 8 of this Act for an accounting year ending with an annual balance date other than the thirty-first day of March, be deemed to be a reference to the accounting year corresponding with that income year, and, in every such case, the provisions of this section shall, with any necessary modifications, apply accordingly."

*Clause 10:* To omit this clause and substitute the following clause:

**10. Deductions for repair, maintenance, and depreciation**—Section 113 of the principal Act is hereby further amended—

(a) By omitting from subsection (2) the words "any deduction under this section", and substituting the words "any deduction under the first proviso to subsection (1) of this section":

- (b) By omitting from subsection (2) the words "and that sufficient depreciation has been provided", and substituting the words "or that sufficient depreciation has been provided".

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EXPLANATORY NOTE

*Clause 7:* The effect of this amendment is that the amendments made by this clause will operate retrospectively to the date of the commencement of the substituted section 85 of the principal Act, and will apply to the tax on income for the income year that commenced on 1 April 1966 and for subsequent years.

*Clause 8, subclause (1):* The effect of this amendment will be that when the three-year period over which income may be spread, in cases where a taxpayer has retired from the business of farming, has elapsed, the excess income derived on the sale of livestock will not be re-assessed if the taxpayer thereafter resumes farming.

*Clause 8, subclause (2):* This amendment is intended to cover the position where the Commissioner accepts returns of income for an accounting year ending on a date other than 31 March.

*Clause 10:* The effect of paragraph (a) of the substituted clause is that subsection (2) of section 113 of the principal Act will authorise the Commissioner to refuse to allow a deduction only in respect of depreciation and not in respect of the other matters mentioned in subsection (1).

Paragraph (b) repeats the amendment made by the existing clause 10 of the Bill.

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