

# NEW TAXATION PROPOSALS

## ANOTHER £820,000 FROM INCOME

### Schedules Showing Individual Payments

#### DIVIDEND TAX OF 6d. IN THE POUND

In order to balance the Budget the Government proposes to raise an additional £820,000 from income tax, bringing the total this year to £2,020,000.

All persons with a taxable income of £100 or over will be liable for the tax, the Government having abandoned its intention of raising the exemption to £150.

The personal exertion income rate will begin at 1/1 in the pound, and the rate on income from property at 1/8 in the pound. Both will increase at the rate of .006 of a penny for every pound of taxable income in excess of £100.

The super tax on individual incomes will be discontinued, but a tax of £2 10/ on every person who has a taxable income will be imposed in respect of both personal and property incomes.

The graduated scale will be continued beyond £5,000 up to £7,000. Single persons will be required to pay a minimum tax of £2 10/, when their incomes exceed £100 and, in addition to the ordinary rate of tax, a special tax of £1 for each £100 of taxable income in excess of £100. This special tax will not apply to single persons under 21 years of age.

The deduction of Federal income tax for purposes of arriving at the income subject to State tax will be discontinued.

A tax on dividends received by shareholders at the rate of 6d. in the pound will also be imposed.

Last year the amount raised by means of income tax was £1,507,375, or £512,625 less than is estimated to be raised this year. Owing to the diminished receipts from income tax at the old rate showed a shrinkage of approximately £300,000. To make up for this shrinkage and to raise the extra £512,000 required, the total increase from income tax this year has been made £820,000.

The following tables show the amounts payable under last year's and this year's rates for income derived both from personal exertion and property.

#### PERSONAL EXERTION SCHEDULE

Taxable Income. £	Old Rate.	New Rate.	Amount Tax.	
			Old Rate (Includ. 25 p.c. super tax). £ s. d.	New Rate (Includ. £2 10/ Flat Rate). £ s. d.
100	5d.	13d.	0 0 6 1/4	2 11 1
200	5.5d.	13.6d.	2 17 3	8 3 4
300	6d.	14.2d.	6 5 6	14 6 8
400	6.5d.	14.8d.	10 3 2	21 0 0
500	7d.	15.4d.	14 11 8	28 3 4
600	7.5d.	16d.	19 10 7	35 16 8
700	8d.	16.6d.	25 0 0	44 0 0
800	8.5d.	17.2d.	30 19 10	52 13 4
900	9d.	17.8d.	37 10 0	61 16 8
1,000	9.5d.	18.4d.	44 10 7	71 10 0
1,500	10d.	19d.	52 1 8	81 13 4
2,000	12.5d.	22d.	97 13 1	140 0 0
3,000	15d.	25d.	156 5 0	210 16 8
4,000	20d.	31d.	312 10 0	390 0 0
5,000	25d.	37d.	520 16 8	619 3 4
6,000	30d.	43d.	781 5 0	898 6 8
7,000	30d.	49d.	937 10 0	1,227 10 0
		55d.	1,093 15 0	1,606 13 4

#### INCOME FROM PROPERTY SCHEDULE

Taxable Income. £	Old Rate.	New Rate.	Amount Tax.	
			Old Rate (Includ. 25 p.c. Super Tax). £ s. d.	New Rate. £ s. d.
100	11d.	20d.	0 1 1 3/4	2 11 8
200	11.5d.	20.6d.	5 19 9	11 1 8
300	12d.	21.2d.	12 10 0	20 3 4
400	12.5d.	21.8d.	19 10 8	29 15 0
500	13d.	22.4d.	27 1 8	39 16 8
600	13.5d.	23d.	35 3 2	50 8 4
700	14d.	23.6d.	43 15 0	61 10 0
800	14.5d.	24.2d.	52 17 3	73 1 8
900	15d.	24.8d.	62 10 0	85 3 4
1,000	15.5d.	25.4d.	72 13 2	97 15 0
1,500	16d.	26d.	83 6 8	110 16 8
2,000	18.5d.	29d.	144 10 7	183 15 0
3,000	21d.	32d.	218 15 0	269 3 4
4,000	26d.	38d.	406 5 0	477 10 0
5,000	31d.	44d.	645 16 8	735 16 0
6,000	36d.	50d.	937 10 0	1,044 3 4
7,000	36d.	56d.	1,125 0 0	1,402 10 0
		62d.	1,312 10 0	1,810 16 8

### FEDERAL TAX TABLES

#### RATES NOW IN OPERATION

To enable taxpayers to calculate their total of State and Federal liabilities, the new Federal rates are published. The following tables show the amounts payable on taxable, not gross, income:—

#### PERSONAL EXERTION

Taxable Income.	Tax.
£100	£1 10 4
£250	£4 17 5
£400	£8 18 2
£500	£12 1 3
£750	£23 14 9
£1,000	£36 15 1
£1,500	£70 8 10
£2,000	£119 10 10
£4,000	£427 13 7
£5,000	£645 19 6
£7,500	£1,386 12 3
£10,000	£2,277 7 10
£20,000	£5,841 7 10
£50,000	£16,533 7 10

### CIVIL SERVICE SALARIES

#### CUTS OF 10 PER CENT.

#### Many Not Affected Yet

The Treasurer has budgeted for a 10 per cent. reduction in the salaries of a number of civil servants, principally among the classified clerical staffs.

This reduction is to be brought about by reclassification, and is estimated to yield about £200,000. Of this amount, savings in the Education Department salaries account for £83,540.

Civil service wages and salaries last year totalled £4,205,532, apart from those paid under special Acts. This includes the pay of employes working under Federal and State awards, whose wages cannot be interfered with except by application to the court. If all were subject to the 10 per cent. reduction the saving would be about £420,000, instead of £200,000.

Many State employes have not yet been affected. In the Railways De-



MR. HILL reading the Budget speech in the Assembly.

partment, for example, wage and salary reductions amount to only £7,040 out of a total of £1,902,841. In the Police Department reductions total £510, in a pay sheet of £243,813.

### POINTS FROM THE BUDGET

Estimated revenue, £12,76,050; estimated expenditure, £12,747,583; estimated surplus, £16,467.

The Government will raise an extra £820,000 in income tax, making £2,020,000 in all.

As a result of the recent increase in the land tax of 1d. in the pound, another £100,000 will be raised this year.

Grants to local governing bodies have been reduced by £110,000, and various other grants by £30,000.

Super tax has been discontinued, and a tax of £2 10/ imposed on every person with a taxable income, in addition to the ordinary assessment.

The statutory exemption of £100 has been retained, the Government having abandoned its intention to raise it to £150.

The personal exertion income rate will begin at 1/1 in the pound instead of 5d., and the property income rate at 1/8 instead of 11d.

Single persons will, in addition to the ordinary rate of tax and surcharge of £2 10/, pay an extra £1 for every £100 of taxable income over £100.

The taxation of life insurance companies will be at full rates instead of half rates, but taxation on other companies will remain unaltered.

Dividends in the hands of shareholders will be taxed at the rate of 6d. in the pound.

Civil servants not covered by industrial awards will have their salaries reduced 10 per cent. by reclassification. This will yield £200,000.

The Government has budgeted for a return from railways of £3,300,000, approximately the same as last year.

Motor taxation will be brought into general revenue, instead of being earmarked for roads. This is expected to yield £300,000.

Owing to the number of employes covered by industrial awards, the wage and salary reductions in the Railways Department total only £7,040 in a pay roll of £1,902,841.

Of the £200,000 saved in Civil Service salaries, reductions in Education Department salaries account for £83,540.

The estimated increase in expenditure this year is £570,743, of which interest on public debt is £463,687.

The total indebtedness of the State at June 30 last was £101,224,342, which is equal to £174 10/6 per head of population.

The increase in the State debt last year was £4,651,146, or £7 17/1 per head.

Approximately 40 per cent. of the expenditure of the State is for interest and 30 per cent. for wages and salaries.

South Australia has £2,555,000 available for loan expenditure this year, out

#### BUDGET SPEECH

The full text of Mr. Hill's Budget speech appears on Page 14.

of which last year's deficit of £1525,813 must be met.

In almost all cases loan works will cease by the end of October.

PROPERTY

Taxable Income.	Tax.		
£100 .. .. .	£1	12	0
£250 .. .. .	£5	8	5
£400 .. .. .	£10	6	3
£500 .. .. .	£14	5	2
£750 .. .. .	£34	11	6
£1,000 .. .. .	£59	19	2
£1,500 .. .. .	£128	1	7
£2,000 .. .. .	£225	7	0
£4,000 .. .. .	£789	9	11
£5,000 .. .. .	£1,14	0	11
£7,500 .. .. .	£2,057	1	0
£10,000 .. .. .	£2,988	11	0
£20,000 .. .. .	£6,714	11	0
£50,000 .. .. .	£17,892	11	0