

This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

W. S. MOWLE,

Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, 22 December, 1920.*

New South Wales.



ANNO UNDECIMO

GEORGII V REGIS.

Act No. , 1920.

An Act to amend the Income Tax (Management) Act, 1912; and for purposes connected therewith.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the "Income Tax Management (Amendment) Act, 1920," and shall be read with the Income Tax (Management) Act, 1912, hereinafter referred to as the Principal Act. Short title and construction.

Income Tax Management (Amendment).

2. The Principal Act is amended by adding at the end of section forty the following new sections :—

41. Every contract, agreement, or arrangement made or entered into, in writing or verbal, whether before or after the commencement of the Income Tax Management (Amendment) Act, 1920, shall, so far as it has or purports to have the purpose or effect of in any way, directly or indirectly—
- (a) altering the incidence of any income tax ; or
- (b) relieving any person from liability to pay any income tax or make any return ; or
- (c) defeating, evading, or avoiding any duty or liability imposed on any person by this Act ; or
- (d) preventing the operation of this Act in any respect—

be absolutely void, but without prejudice to its validity in any other respect or for any other purpose.

42. A covenant or stipulation in a mortgage of land, which has or purports to have the purpose or effect of imposing on the mortgagor the obligation of paying income tax on the interest to be paid under the mortgage—

- (a) if the mortgage was entered into before the commencement of the Income Tax Management (Amendment) Act, 1920—shall not be valid to impose on the mortgagor the obligation of paying income tax to any greater amount than the amount (if any) which would have been payable by the mortgagor if his taxable income consisted solely of a sum equivalent to the amount of interest to be paid under the mortgage without taking into account any income tax payable on that interest ; and
- (b) if the mortgage was entered into after the commencement of the last-mentioned Act—shall be absolutely void.

Amendment of Principal Act.

Contracts to evade tax void. cf. Income Tax Assessment Act, 1915-1918 (Fed.), s. 53.

Covenant by mortgagor to pay tax. cf. *Ibid.* s. 54.