

Govt. May Arrange For Tax Payments By Instalments

PREMIER SUGGESTS BANKS SHOULD OPEN SPECIAL SAVINGS ACCOUNTS

Accumulating Interest Would Help To Pay New Heavy Income Taxes

BUDGET PROPOSALS EXPLAINED TO HOUSE

ARRANGEMENTS would be made if possible for the payment of income taxes by weekly or monthly instalments, said the Premier (Mr. Hill), when presenting the Government's new taxation proposals to the Assembly yesterday. He said he admitted that under ordinary circumstances the proposals could not be justified. Discussion was deferred until today.

The Premier suggested that the banks should open special taxation savings accounts, which could be accumulating interest while awaiting the issue of assessments, and then the total amount could be paid. The Leader of the Opposition (Mr. Butler) agreed that such arrangements might be made with the Savings Bank.

THE taxation proposals, which are identical with those explained fully in the Budget speech, provide briefly for substantial increases in the rate of income from all sources, taxation of co-operative societies and insurance companies, the retention of the £100 exemption, and a minimum or poll tax of £2/10/ on everyone earning over £100.

"I am introducing these taxation proposals with a full realisation of their effect upon the economic life of the community," said the Premier.

"I know that under ordinary circumstances Parliament might rightly refuse its sanction to taxation so burdensome.

"Yet ultimately this taxation will be accepted as having been a necessary first step in the process of financial and economic reconstruction both for the Government and private enterprise.

"These taxation measures must be considered as a necessary preliminary step in a general programme of reconstruction, and necessary only until the benefits of that programme make their continuance necessary."

Mr. Hill went on to explain that the decision to balance Budgets had not been made by agreement with Sir Otto Niemeyer, but that representatives of the States, at a meeting of the Loan Council as early as June 10 had come to that decision. The announcement that Sir Otto Niemeyer was coming to Australia was not made until June 20.

EFFECT ON PUBLIC SERVICE

The Premier went on to say that failure to balance the Budget might easily result in a general stoppage of public services from the sheer inability of the banks to finance the deficit.

"Our proposals are calculated to return a revenue slightly in excess of two million pounds. The extent to which they would have had to be increased but for the success of our claim for £1,000,000 from the Commonwealth Government is apparent and taxpayers have some reason to be grateful to the Government for its determined and successful efforts to secure financial recognition of our disabilities."

"RAIL LOSSES DUE TO NATIONALISATION"

Must Be Freed From Interference—Mr. Butler

UNDUE political interference resulting from the principle of nationalisation was the primary cause of the losses on the railways, declared the Leader of the Opposition (Mr. Butler), speaking in the Assembly yesterday on the second reading of the Road and Railway Transport Bill.

He hoped the Bill would be a step towards freeing the railways from political control. Industrial depression and drought had, of course, been partly responsible.

The Commissioner of Public Works (Mr. McInnes)—Private companies everywhere have also suffered losses.

Mr. Butler—Those losses are infinitesimal compared with the losses under nationalisation.

The Minister's statement that the railways would never pay was too sweeping. They never would pay, however, as long as the Arbitration Court was allowed to control 80 per cent. of the expenditure on railways. If the people would not assist in patronising the railways the inevitable result would be more taxation. Services should not be duplicated.

The Bill provided that a decision to close a railway would be given by Parliament. That clause would be fatal. He would prefer to give power to the board after making full investigation.

There was no justification for running Tramway buses to Port Adelaide in competition with the railways, Mr. Butler said. The time was opportune for co-ordination between motor road services and railways.

Mr. Cameron said the Bill was attempting an impossibility. The only way to secure control was by the co-ordination of all transport systems. The Government would have to consider putting a nominee of the motor interests on the board.

Shortly before 11 p.m. the debate was adjourned.

TAXES TO BE PAID WEEKLY

Government Decides

BILL NEXT WEEK

A Bill to enable the State Government to collect taxes in weekly instalments over the whole year will be introduced into the Assembly next week.

It is understood that deductions will be made every pay-day in the case of employes, and that taxpayers engaged in professions will enter into special arrangements with the department.

Steady Flow of Revenue

Taxpayers will have their payments spread over a long period instead of having to make a large contribution during the latter part of the financial year. The advantage to the department will be a sure and steady flow of revenue over the 12 months. The taxes will be secured while the money is there. As it is desired to make the change during next month, the passage of the necessary legislation will have to be expedited, but no difficulty in getting approval of the Bill is anticipated.

Example of Group System

The proposal owes its introduction to the success of the group plan of payment by instalments which the Commissioner of Taxes (Mr. Cornish) arranged to meet the peculiar circumstances of the depression this year.

Many employers adopted this idea, and substantial regular contributions have been made. The department admits that, without the group payments, the taxation revenue would have been seriously affected.

How Taxes Will Be Paid

Under the new system a taxpayer will pay all he owes before the end of the following June. It is understood that the assessments will be issued throughout the year and these will show the net amount due after necessary deductions. Then, if the amount of the tax has been overpaid, the difference will be returned by the department. The taxpayer will know in good time by receiving his assessment, exactly where he stands. He may then desire to quicken the rate of payments by notifying his employer to increase the deductions made every pay day.

Several months ago Mr. Hill announced that there would be no increased taxation next year, and it is expected that he will keep to that promise.

New Offices at Railway Station

The taxation department will shortly be transferred to the railway station, where ample accommodation will be provided. It is understood that the department will occupy offices in the north-eastern section of the building, extending to the western end. The branches, which will be used by the public, will be on the ground floor on the Torrens side, in the vicinity of the railways waiting room, and the administrative offices will be immediately above on the first floor. The department has been cramped for room for some years, and the proposed new system of taxation payments will require an enlarged staff.