

THE INCOME TAX AND THE INDIVIDUAL

Partnerships

(3) Any persons carrying on business in partnership shall be liable for the income tax only in their individual capacity; provided, however, that a husband and wife carrying on business together shall not be deemed to be partners for any purpose under this Act. A member of a partnership or the proprietor of a business whose fiscal year is other than the calendar year shall make a return and have the tax computed upon the income from the business, for the fiscal period ending within the calendar year for which the return is being made, but his return of income derived from sources other than his business shall be made for the calendar year.

Returns, and tax computed.

Transfer of property to evade taxation

(4) A person who, after the first day of August, 1917, has reduced his income by the transfer or assignment of any real or personal, movable or immovable property, to such person's wife or husband, as the case may be, or to any member of the family of such person, shall, nevertheless, be liable to be taxed as if such transfer or assignment had not been made, unless the Minister is satisfied that such transfer or assignment was not made for the purpose of evading the taxes imposed under this Act or any part thereof.

Deductions allowed from tax

(5) Taxpayers shall be entitled to the following deductions from the amount that would otherwise be payable by them for taxes under the provisions of this Act:—

Payments under Part I Special War Revenue Act, 1915, Business Profits War Tax Act, 1916

(a) the amount paid by such taxpayer for corresponding accounting periods under the provisions of Part I of *The Special War Revenue Act, 1915*, and any amendments thereto, or *The Business Profits War Tax Act, 1916*, and any amendments thereto: Provided, that in computing the taxable income hereunder the taxpayer shall not include any taxes paid under the said Acts in the expenses of his business, and the Minister shall have power to determine any questions that may arise in consequence of any difference in the several periods for which the taxes under the said Acts and under this Act, respectively, are payable, and the decision of the Minister shall be final and conclusive. In the case of a partnership, each partner shall be entitled to deduct such portion of the tax paid by the partnership under *The Business Profits War Tax Act, 1916*, and any amendments thereto, as may correspond to his interest in the income of the partnership: Provided that such deduction shall not affect the liability of the taxpayer to tax hereunder in respect of any income which does not form part of the profits assessed, under *The Business Profits War Tax Act, 1916*, but such income shall be assessed for income tax purposes in the same manner as if it were the only income of the taxpayer.

Income tax paid in any other portion of Empire or in any foreign country

(b) The amount paid to Great Britain or any of its self-governing colonies or dependencies for income tax in respect of the income of the taxpayer derived from sources therein, and the