

regardless of the parents' income—and the two reductions in taxation rates, with the increased exemption for a dependent wife. The combination of these factors gives the following result:—

Fixed Gross Income.	Residue Last Year, after Payment of all Income Taxation.	Residue for the Current Year, including £26 per child Family Benefit, and including £50 per child exemption.	Increased Residue.
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*Taxpayer with dependent wife and one child*

£	£	£	£
400	334	378	44
500	403	454	51
600	470	528	58
800	600	670	70

*Taxpayer with dependent wife and two children*

400	342	412	70
500	413	488	75
600	480	562	82
800	612	706	94

*Taxpayer with dependent wife and three children*

400	376	438	62
500	421	521	100
600	490	596	106
800	624	742	118

It will be observed from this last group, that a taxpayer with an income of £500 and a dependent wife and three children would have a residue after payment of all income taxation during the financial year ended 31st March, 1946, amounting to £421. The amount which will be available in the same family during the current financial year will be £521. This additional £100 represents an increase of 23 per cent. over the sum available during 1945–46.

The rate of income-tax on companies will be restored to that which applied up to March, 1942. Companies will thus pay the basic rate of company income-tax plus 15 per cent., and will also pay social and national security tax at the reduced rate of 2s. in the pound. The effect of these reductions gives a much more favourable incentive to increased production than existed under the higher war rates of tax. This is demonstrated from the following table which shows a comparison of the amount available after payment of income-tax, social and national security tax.