

New Zealand.

ANALYSIS.

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1894, No. 65.

AN ACT to amend the Acts relating to the Assessment of Land Title.
and Income for the Purposes of Taxation.

[24th October, 1894.]

BE IT ENACTED by the General Assembly of New Zealand in
Parliament assembled, and by the authority of the same, as fol-
lows:—

1. The Short Title of this Act is "The Land and Income Assess- Short Title.
ment Acts Amendment Act, 1894."

2. In this Act, unless inconsistent with the context,— Interpretation.
"Person" includes "firm" and "company":

"The Assessment Acts" means this Act and such of the pro-
visions of "The Land and Income Assessment Act, 1891,"
"The Land and Income Assessment Act Amendment Act,
1892," and "The Land and Income Assessment Acts
Amendment Act, 1893," as are not repealed or altered by
this Act, and includes regulations made thereunder from
time to time in force.

ASSESSMENT AND RETURNS.

- Definition of "assessment." 3. In the definition of "assessment" in section three of "The Land and Income Assessment Act, 1891," after the words "improvements alone" shall be read the words "or of any mortgage."
- As to annual Tax Acts. 4. Section fifteen of "The Land and Income Assessment Act, 1891," is hereby amended by the insertion of the words "or annual Acts" after the words "an annual Act," wherever they occur.
- As to returns of land, mortgages, and income. 5. Paragraphs (a) and (b) of subsection one of section seventeen of "The Land and Income Assessment Act, 1891," are hereby repealed, and in lieu thereof the following provision is enacted: "As to income, annually, and as to land and mortgages, biennially, by every person and company."
- As to returns of land and mortgages. 6. (1.) Returns of land owned and mortgages held shall be made as at noon on the thirty-first day of March in each alternate year, the first such return being made as on the thirty-first day of March, one thousand eight hundred and ninety-five.
- As to returns of income. (2.) Returns of income shall be based upon the income derived by the person or company making the return during the year immediately preceding the commencement of the year of assessment: Provided that, where such income cannot be conveniently returned, the Commissioner may, for the purpose of assessment, accept an actual or estimated return made up to the date of the annual balance of such person or company, such assessment to be adjusted upon such annual balance being completed.
- Returns of income may be required under this Act for year ending 31st March, 1894. (3.) Returns of income derived during the year ending on the thirty-first day of March, one thousand eight hundred and ninety-four, may be required by the Commissioner to be made and revised in accordance with the provisions of this Act. Such returns shall be subject to the provisions of this Act.
- Date of annual return. (4.) Every annual or biennial return shall be made on or before a date to be publicly notified by the Commissioner.
- Repeal. (5.) Section four of "The Land and Income Assessment Act Amendment Act, 1892," and section nine of that Act, as amended by section nine of "The Land and Income Assessment Acts Amendment Act, 1893," are hereby repealed.
- (6.) Section five of "The Land and Income Assessment Acts Amendment Act, 1893," is hereby amended by omitting the word "triennial" in the seventh line and by substituting the word "biennial," and by striking out all the words after the word "thereto" in the eleventh line.
- (7.) Section eight of the last above-mentioned Act is hereby amended by omitting the word "triennial" in the fifth line and substituting the word "biennial."
- Continuing existing assessments until new assessments are made. 7. Notwithstanding anything to the contrary in the Assessment Acts, every assessment of land and mortgages made for the triennial period commencing on the first day of April, one thousand eight hundred and ninety-two, shall remain in full force until a new

assessment thereof is made : Provided that assessments existing at the commencement of this Act may be objected to and reviewed in manner to be publicly notified.

8. The Commissioner may make new assessments at such times, and such new assessments may be limited in application to such districts, or such specific lands or mortgages, as he may think necessary; and any person or company may by notice in the prescribed form, given not later than the thirty-first day of March in any year, require the Commissioner to make a new assessment of such person's or company's land or mortgages.

Commissioner may make new assessments.

9. The Commissioner may from time to time, as he may think fit, cause valuations to be made of any land or mortgages for the purposes of the Assessment Acts, and for such purpose may, by himself or his agents, at all times enter upon any land or mortgaged property which is the subject of such valuation.

Commissioner may cause valuations to be made from time to time.

10. After any new assessment has been made, the Commissioner shall notify the same to each person or company affected thereby; and section nineteen of "The Land and Income Assessment Act, 1891," shall, *mutatis mutandis*, apply thereto.

Notice to be given of any new assessments.

11. (1.) Boards of Review are hereby abolished, and objections to assessment of land or mortgages, and all other objections under the Assessment Acts, shall be determined by a Stipendiary Magistrate.

Objections to be heard by Stipendiary Magistrate.

(2.) All the provisions of the Assessment Acts as to the Board of Review shall, *mutatis mutandis*, apply to such Stipendiary Magistrate:

Provided that no objection to the assessment of income shall be heard in open Court.

12. Nothing in section eighteen of "The Land and Income Assessment Act Amendment Act, 1892," shall be deemed to compel the Commissioner to make an assessment of any property.

Assessing for Deceased Persons' Estates Duties Acts not compulsory.

13. (1.) If any person makes default in furnishing any return of income, or if the Commissioner is not satisfied with the return of income made by any person, he may make an assessment of the amount on which, in his judgment, tax ought to be charged, and the tax shall be payable accordingly.

Default assessment.

(2.) Every such assessment shall be subject to objection and review.

LAND AND MORTGAGES.

14. No mortgagee is liable for taxation on moneys receivable by way of interest on mortgage of land, and no mortgagor of land is entitled to deduct from the value of such land moneys payable by way of interest on such mortgage.

Interest on mortgages not to be included in land-tax returns.

15. Subsection four of the second part of Schedule A to "The Land and Income Assessment Act, 1891," is hereby amended by striking out the words "not being a banking company."

As to bank mortgages.

16. The definition of "mortgage," in subsection two of section seventeen of "The Land and Income Assessment Act Amendment Act, 1892," is hereby amended by the insertion, after the word "manner," of the words, "but does not include any mortgage not registered in manner aforesaid."

Definition of "mortgage" amended.

GENERAL.

Taxation of banks.

17. In lieu of the enactments heretofore in force as to the assessment for income-tax payable by banking companies, it is hereby enacted as follows:—

Every banking company shall be assessed for income-tax each year upon a sum representing seven shillings and sixpence in every one hundred pounds of the average of its total assets and liabilities for the four quarters of the preceding year ending the thirty-first day of March, according to the sworn statements published in the *Gazette*.

As to obsolete machinery and allowance for depreciation.

18. (1.) Schedule F of "The Land and Income Assessment Act, 1891," is hereby further amended by adding to the end of subsection (a) of section two the following words: "Provided that the Commissioner may allow such deduction for depreciation of any implements, utensils, or machinery as he may consider just in respect of the diminished value during any year by reason of fair wear and tear, not being of a kind that could be made good by repairs, or by the implements, utensils, or machinery being rendered obsolete or useless."

(2.) The following provisions shall be added to the said Schedule F:—

Losses, &c., in connection with land or mortgages not to be deducted from income.

(8.) Losses, outgoings, and expenses in connection with income derived from land or mortgages shall not be deducted from the gross amount of income derived from business or employment or emolument: Provided always that, if such losses, outgoings, and expenses are difficult of apportionment between land or mortgages and business employment or emolument, they may be adjusted in such manner as the Commissioner may think fit.

Interest on mortgages not to be deducted from income except in particular cases.

(9.) In estimating the balance of the income liable to tax in the case of any business, employment, or emolument, no sum shall be deducted therefrom for any interest payable in respect of any mortgage, unless such mortgage be secured upon the premises actually used for the purposes of such business, employment, or emolument.

Assessment Acts read together. Regulations.

19. The Assessment Acts shall be read and construed together.

20. The Governor in Council may from time to time make regulations not inconsistent with the Assessment Acts for any purpose, whether general or to meet special cases, that may be convenient for the administration of the Assessment Acts, and such regulations when gazetted shall have the force of law:

Provided that nothing herein shall be deemed to limit the powers of making regulations conferred by the Assessment Acts.