

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,

12th August, 1926.

Hon. Mr. Downie Stewart.

LAND AND INCOME TAX AMENDMENT.

ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p>2. Section 67 of principal Act (providing for increase of land-tax in case of absentee taxpayers) amended.</p> <p>3. Section 74 of principal Act (providing for a special exemption in respect of income-tax) amended as to absentees.</p> <p>4. Limitation of taxation of Native land by reference to the revenue therefrom.</p> <p>5. Special provisions for computation of income derived from sale or other disposal of trading stock.</p>	<p>6. Taxpayer entitled to allowance under section 83 of principal Act in respect of improvements in use during income year, notwithstanding that improvements may not then have been valued.</p> <p>7. Employer in New Zealand of non-resident taxpayer may deduct amount of tax from salary. Tax may be deducted from pension or from retiring-allowance payable out of superannuation fund.</p> <p>8. Section 122 of principal Act (as to obligations of non-resident traders) amended.</p> <p>9. As to registration fees in respect of charges registered under section 11 of Amendment Act, 1924.</p>
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A BILL INTITULED

AN ACT to amend the Land and Income Tax Act, 1923.

Title.

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

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1. This Act may be cited as the Land and Income Tax Amendment Act, 1926, and shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter referred to as the principal Act).

Short Title.

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2. Section sixty-seven of the principal Act is hereby amended by adding to subsection two the following proviso:—

Section 67 of principal Act (providing for increase of land-tax in case of absentee taxpayers) amended.

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“Provided further that no person who is absent from New Zealand in the service in any capacity of the Government of New Zealand, nor the wife of any such person if she is absent from New Zealand with him, shall, by reason of such absence, be deemed to be an absentee within the meaning of this section.”

3. Section seventy-four of the principal Act is hereby amended by adding to subsection two the following proviso:—

Section 74 of principal Act (providing for a special exemption in respect of income-tax) amended as to absentees.

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“Provided further that no person who is absent from New Zealand in the service in any capacity of the Government of New Zealand, nor the wife of any such person if she is absent from New Zealand with him, shall, by reason of such absence, be deemed to be an absentee within the meaning of this Part of this Act.”

Limitation of taxation of Native land by reference to the revenue therefrom.

Special provisions for computation of income derived from sale or other disposal of trading stock.

Cf. Commonwealth of Australia, 1922, No. 37, sec. 17

Taxpayer entitled to allowance under section 83 of principal Act in respect of improvements in use during income year, notwithstanding that improvements may not then have been valued.

Employer in New Zealand of non-resident taxpayer may deduct amount of tax from salary.

Tax may be deducted from pension or from retiring-allowance payable out of superannuation fund.

4. Section seventy-one of the principal Act is hereby amended by omitting from the proviso to subsection two the word "one-fourth," and substituting the word "one-tenth."

5. (1.) Where any trading stock is sold together with other assets of a business, the part of the consideration attributable to the trading stock shall, for the purposes of the principal Act, be determined by the Commissioner, and the part of the consideration so determined shall be deemed to be the price paid for the trading stock by the purchaser.

(2.) For the purposes of this section any trading stock which has been disposed of otherwise than by sale shall be deemed to have been sold, and any trading stock so disposed of and any trading stock which has been sold for a consideration other than cash shall be deemed to have realized the market price of the day on which it was so disposed of or sold, but, where there is no market price, trading stock shall be deemed to have realized such price as the Commissioner determines.

(3.) It shall be grounds for objection to an assessment of income-tax under Part III of the principal Act that any determination of the Commissioner made for the purposes of this section is erroneous in fact.

6. When a new valuation of any land is made by the Valuer-General pursuant to section fifty of the Valuation of Land Act, 1925, on the ground that improvements have been added to the land, the amended value shall, for the purposes of section eighty-three of the principal Act, relate back to the beginning of the income year or to the date when the improvements were made available for use, whichever date is the later, notwithstanding that the new valuation may not then have been actually made.

7. (1.) The employer or the agent of the employer of every non-resident taxpayer shall, for the purposes of the principal Act, be the agent of such non-resident taxpayer in respect of the salary, wages, or other emoluments received by him, and shall make returns and be assessable and liable for income-tax thereon accordingly.

(2.) Where any such non-resident taxpayer has, whether before or after the passing of this Act, made default in the payment of any income-tax payable by him in respect of his salary, wages, or other emoluments as aforesaid, the amount of such tax shall, on application by the Commissioner, be deducted by the employer or his agent from any salary, wages, or other emoluments thereafter to be paid, and shall be paid to the Commissioner on behalf of the taxpayer.

(3.) Where any non-resident taxpayer is in receipt of any pension or annuity payable by the Government of New Zealand or payable out of any superannuation fund established in New Zealand, any income-tax heretofore payable or that may hereafter become payable by such non-resident taxpayer in respect of such pension or annuity shall, on application by the Commissioner, be deducted from any instalment or instalments of such pension or annuity thereafter to be paid and shall be paid to the Commissioner on behalf of the taxpayer.

(4.) For the purposes of this section the term "non-resident taxpayer" means any person who, being liable for income-tax in respect of salary, wages, or other emoluments derived from New Zealand, or in respect of any annuity or pension derived from

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New Zealand, has no fixed and permanent residence or place of abode in New Zealand.

8. Section one hundred and twenty-two of the principal Act is hereby amended by adding the following words: "The agent in New Zealand of a non-resident trader shall, for the purposes of this section, be under the same obligations as his principal."

Section 122 of principal Act (as to obligations of non-resident traders) amended.

9. (1.) No fee shall be chargeable in respect of the registration by the Commissioner of any charge registered under section eleven of the Land and Income Tax Amendment Act, 1924.

As to registration fees in respect of charges registered under section 11 of Amendment Act, 1924.

10 (2.) On the registration of the release of any such charge, whether such charge is registered before or after the passing of this Act, there shall be payable to the District Land Registrar or Registrar of Deeds, as the case may be, a registration fee of *ten* shillings, or, if the charge is to secure an amount of land-tax less than *ten* shillings, a registration fee
15 equal to the amount of such tax:

Provided that in special circumstances, and on the recommendation of the Commissioner, a release may be registered without payment of a registration fee.

20 (3.) The fees prescribed by this section shall be payable by the owner of the land charged or other person by whom the land-tax secured by the charge was payable, and shall be paid in the first instance to the Commissioner.

25 (4.) Application for the registration of a release shall be made by the Commissioner in writing, and in such application the Commissioner shall certify that the registration fee has been paid, or, if the case so requires, shall recommend that the release be registered without payment of a registration fee.