

Hon. Mr. Nash.

LAND AND INCOME TAX AMENDMENT.

ANALYSIS.

Title.	8. In calculation of assessable income, deduction may be allowed in respect of premium paid on account of leased machinery.
1. Short Title and commencement.	9. Section 81 of principal Act amended.
2. Section 2 of principal Act amended.	10. Section 96 of principal Act amended.
3. Special provisions as to assessment of lessees for land-tax.	11. Section 6 of Amendment Act, 1931, amended.
4. Trustees of superannuation funds to be exempt from land-tax.	12. Amending provisions as to special exemption of taxpayers in respect of their spouses.
5. Reduced rates of land-tax in respect of land held for religious purposes or for certain public purposes.	13. Amending provisions as to special exemption of taxpayer in respect of housekeeper.
6. Amending provisions as to special exemptions in respect of income-tax. Consequential amendments.	14. Income-tax for any year may be made payable in instalments.
7. Section 80 of principal Act amended.	15. Special provisions for recovery of income-tax payable in respect of alimony or maintenance.

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

5 of the same, as follows:—

1. (1) This Act may be cited as the Land and Income Tax Amendment Act, 1936, and shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter referred to as the principal Act).

10 (2) This Act shall be deemed to have come into force on the first day of April, nineteen hundred and thirty-six.

Short Title and commencement. See Reprint of Statutes, Vol. VII, p. 271

Section 2
of principal
Act amended.
See Reprint
of Statutes,
Vol. VI, p. 103

2. (1) For the purposes of the principal Act the term "Native" means a person who is a Native within the meaning of the Native Land Act, 1931.

(2) Section two of the principal Act is hereby consequentially amended by repealing the definition of the term "Native". 5

Special
provisions as
to assessment
of lessees
for land-tax.

Cf. 1923,
No. 21, s. 52
(Rep. by 1931,
No. 20,
s. 2 (1))

3. (1) Any person owning any leasehold estate in land shall be deemed for the purposes of Part V of the principal Act (though not to the exclusion of the liability of any other person) to be the owner of the fee-simple, and shall be assessed and liable for land-tax accordingly. 10

(2) In the case of the owner of a leasehold estate in land there shall be deducted from the amount of land-tax so payable by him in respect of that land (so far as it exceeds the land-tax, if any, that would be payable by him in respect of the value of his leasehold estate independently of this section) the amount of land-tax (if any) payable in respect of that land by the owner of any freehold estate or of any precedent leasehold estate in the land or any part thereof. 20

(3) The provisions of this section shall not apply to leasehold estates in any land of the Crown, or in any Native land, or in any land vested in fee-simple in any person who in respect thereof is wholly exempted from land-tax. 25

Trustees of
superannuation
funds to be
exempt from
land-tax.

4. Section sixty-nine of the principal Act is hereby amended by adding to subsection one the following paragraph:—

"(1) Land owned by trustees on account of a superannuation fund." 30

Reduced rates
of land-tax
in respect of
land held for
religious
purposes or
for certain
public
purposes.

5. (1) Section seventy of the principal Act is hereby amended by omitting from subsection one the expression "one-half" and substituting the expression "one-fourth", and by adding to the said subsection the words "or at the rate of one halfpenny in the pound of the unimproved value on which land-tax is payable, whichever is the greater". 35

1935, No. 32

(2) Section three of the Land and Income Tax Amendment Act, 1935, is hereby amended by omitting the expression "one-half" and substituting the expression "one-fourth", and by adding thereto the words "or at the rate of one halfpenny in the pound of the unimproved value on which land-tax is payable, whichever is the greater". 40 45

6. (1) Section seventy-four of the principal Act is hereby amended as follows:—

Amending provisions as to special exemptions in respect of income-tax.

5 (a) By repealing subsection one (as enacted in section three of the Land and Income Tax Amendment Act, 1931), and substituting the following subsection:—

10 “(1) From the yearly assessable income of every person, other than a company or an absentee, there shall, for the purpose of assessing income-tax on that income, be deducted by way of special exemption the sum of two hundred and ten pounds ”; and

15 (b) By omitting from the first proviso to subsection two the words “ three hundred pounds ”, and substituting the words “ two hundred and ten pounds ”.

(2) Section three of the Land and Income Tax Amendment Act, 1931, is hereby consequentially repealed.

Consequential amendments.

20 (3) Section six of the Land and Income Tax Amendment Act, 1931, is hereby consequentially amended by omitting from subsection one the words “ the amount of the special exemption (if any) to which he may be entitled under section seventy-four of the principal Act and ”.

25 (4) Section five of the Land and Income Tax Amendment Act, 1932-33, is hereby consequentially repealed.

1932-33, No. 40

30 7. Section eighty of the principal Act is hereby amended by adding to paragraph (g) the words “ or any tax or charge in the nature of a tax imposed by any Act to provide funds for the relief of unemployment or for the promotion of employment ”.

Section 80 of principal Act amended.

35 8. (1) Notwithstanding anything to the contrary in section eighty of the principal Act, the Commissioner may, in the calculation of the assessable income of any taxpayer, allow such deduction as he thinks fit in respect of any premium, fine, or foregift, or any consideration in the nature of a premium, fine, or foregift, paid by the taxpayer in respect of the lease of any machinery used
40 by him in the production of income, or in respect of the renewal of any such lease, or in respect of the assignment or transfer of any such lease.

In calculation of assessable income, deduction may be allowed in respect of premium paid on account of leased machinery.

(2) In ascertaining the amount that may be deducted in any year under this section the total amount paid by the taxpayer as aforesaid shall be apportioned by the Commissioner over the period of the lease unexpired at the date of payment, and the amount deducted for any year shall not in any case exceed the amount apportioned to that year. 5

1932-33, No. 40

(3) Section eight of the Land and Income Tax Amendment Act, 1932-33, is hereby repealed.

Section 81
of principal
Act amended.

9. Section eighty-one of the principal Act is hereby amended by adding thereto the following subsection:— 10

“(4) Notwithstanding anything in the foregoing provisions of this section, if in respect of any year of assessment any taxpayer, being a company, claims to carry forward any loss made by it in any former income year, the claim shall not be allowed unless the Commissioner is satisfied that the shareholders of the company on the last day of the income year immediately preceding the year of assessment were substantially the same as the shareholders of the company on the last day of the income year in which the loss was incurred. For the purposes of this subsection the shareholders of a company at any date shall not be deemed to be substantially the same as the shareholders on any other date unless, on both such dates, not less than three-fourths of the paid-up capital of the company was held by or on behalf of the same persons, nor unless, on both such dates, not less than three-fourths in nominal value of the allotted shares in such company were held by or on behalf of the same persons. For the purposes of this subsection shares in a company held by or on behalf of another company shall be deemed to be held by the shareholders of such last-mentioned company.” 15 20 25 30

Section 96
of principal
Act amended.

10. Section ninety-six of the principal Act is hereby amended by inserting, after the words “ in respect of income derived ”, the words “ otherwise than from the business of life insurance or in respect of income derived ”. 35

Section 6 of
Amendment
Act, 1931,
amended.

11. Section six of the Land and Income Tax Amendment Act, 1931, is hereby amended by adding to paragraph (b) of subsection two the words “ and income derived from debentures to which section one hundred and seventeen of the principal Act applies ”. 40

12. (1) Section four of the Land and Income Tax Amendment Act, 1932-33, is hereby amended by omitting from subsection one all words after the words " fifty pounds ".

Amending provisions as to special exemption of taxpayers in respect of their spouses. 1932-33, No. 40 1933, No. 43

5 (2) Section two of the Land and Income Tax Amendment Act, 1933, is hereby amended by omitting from subsection one all words after the words " fifty pounds ".

10 13. Section three of the Land and Income Tax Amendment Act, 1933, is hereby amended by omitting from subsection two all words after the words " fifty pounds " (with the exception of the proviso to the said subsection).

Amending provisions as to special exemption of taxpayer in respect of housekeeper.

15 14. (1) In the exercise of the powers conferred by section one hundred and thirty-three of the principal Act the Governor-General in Council may, in respect of the payment of income-tax for any year, appoint several dates on each of which a fixed proportionate part of the income-tax for that year shall become due and payable.

Income-tax for any year may be made payable in instalments.

20 (2) If, on any date appointed as aforesaid, the rates of income-tax for the year have not been fixed by the annual taxing Act the Commissioner shall fix the amount payable by the several taxpayers on that date. In the case of a taxpayer who paid or was liable to pay income-tax in the preceding year of assessment the tax payable by him on any such date shall be fixed by reference to the amount of income-tax payable by him in the preceding year of assessment and shall not exceed a proportionate amount of the tax so payable.

30 (3) All adjustments of income-tax that may thereafter be required shall be made as soon as possible after the annual taxing Act has been passed.

35 15. (1) This section applies with respect to any income-tax that may heretofore have become payable or that may hereafter become payable in respect of income received by or on behalf of any person as alimony or maintenance, pursuant to the order of any Court or pursuant to any deed or agreement (whether such order, deed, or agreement has been made or entered into before the commencement of this Act or is made or entered into after the commencement of this Act).

Special provisions for recovery of income-tax payable in respect of alimony or maintenance.

40 (2) In any case to which this section applies, the person bound by any such order, deed, or agreement to pay any moneys as alimony or as maintenance as

aforesaid shall, for the purpose of the payment of the income-tax thereon, be deemed to be the agent of the person to whom or on whose behalf such moneys have been paid or are payable, and all the provisions of the principal Act as to the liability of agents shall apply 5 with respect to him accordingly.

(3) It shall be no defence in any proceedings against an agent for the recovery of any income-tax to which this section relates that any amount in respect of income-tax has been paid by him to the person entitled 10 to receive any moneys as alimony or maintenance.