

AUCKLAND HARBOUR BRIDGE AMENDMENT BILL

EXPLANATORY NOTE

THE purpose of this Bill is to vary the method by which compensation payable by the Bridge Authority to the Devonport Ferry Company is assessed.

It has been agreed by the Authority and the company that the provisions of the principal Act relating to the assessment of depreciation for the purposes of calculating the amount of compensation due to the company **are not** sufficient, and this Bill prescribes the rules by which depreciation is to be assessed by the Commission established to assess compensation. The amount which the Commission is required to assess is the amount actually written off as depreciation during the period between the passing of the principal Act (1 December 1950) and the date when the bridge first becomes open for public traffic. If the Authority considers that any amount so written off is less than the amount which would be allowed as a deduction for income tax purposes, it may request the Commission to fix the correct amount. The Commission is thereupon directed to fix an amount which is fair and reasonable in the circumstances but which is not greater than the amount which the Commissioner of Inland Revenue would fix as a depreciation allowance for income tax purposes. If the depreciation relates to the vessels of the company, it will be ordinary depreciation. If it relates to capital expenditure, it will be both ordinary and special.

Hon. Mr Goosman

AUCKLAND HARBOUR BRIDGE AMENDMENT

ANALYSIS

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| Title | 1. Short Title 2. As to assessment of compensation |
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A BILL INTITULED

An Act to amend the Auckland Harbour Bridge Act 1950

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

1. Short Title—This Act may be cited as the Auckland Harbour Bridge Amendment Act 1957, and shall be read together with and deemed part of the Auckland Harbour Bridge Act 1950 (hereinafter referred to as the principal
10 Act).

2. As to assessment of compensation—Paragraph (d) of subsection one of section sixty-eight of the principal Act is hereby amended by repealing subparagraph (iii), and substituting the following subparagraphs:

15 “(iii) All amounts actually written off in the accounts of the company during the period between the first day of December, nineteen hundred and fifty, and the date when the bridge first becomes open for public traffic as depreciation in respect of the
20 vessels in the fleet owned by the company:

- “Provided that if in respect of any financial year of the company during the aforesaid period the Authority is of the opinion that any amount written off as depreciation as aforesaid is less than the amount which has been or would be allowed by the Commissioner of Inland Revenue by way of ordinary depreciation allowance under the Land and Income Tax Act 1954, the Commission shall, at the request of the authority, fix, for the purposes of this subparagraph, an amount in respect of depreciation for that year which, in the opinion of the Commission, is fair and reasonable in the circumstances and which is not greater than the amount which would, in the opinion of the Commission, be allowed by the Commissioner of Inland Revenue by way of ordinary depreciation allowance under the Land and Income Tax Act 1954: 5
- “(iv) All amounts actually written off in the accounts of the company during the period between the first day of December, nineteen hundred and fifty, and the date when the bridge first becomes open for public traffic as depreciation in respect of any assets of the company acquired as the result of any additional capital expenditure to which paragraph (b) of this subsection applies: 10
- “Provided that if in respect of any financial year of the company during the aforesaid period the Authority is of the opinion that any amount written off as depreciation as aforesaid is less than the amount which has been or would be allowed by the Commissioner of Inland Revenue by way of depreciation allowance (whether ordinary or special) under the Land and Income Tax Act 1954, the Commission shall, at the request of the authority, fix, for the purposes of this subparagraph, an amount in respect of depreciation for that year which, in the opinion of the Commission, is fair and reasonable in the circumstances and which is not greater than the amount which would, in the opinion of the Commission, be allowed by the Commissioner of Inland Revenue by way of depreciation allowance (whether ordinary or special) under the Land and Income Tax Act 1954.” 15 20 25 30 35 40