

## CUSTOMS ACTS AMENDMENT BILL

### EXPLANATORY NOTE

The purpose of this Bill is to give effect to the Budget announcement in respect of—

- (a) The increase in the excise duty on tobacco, cigarettes, cigars and snuff manufactured in New Zealand:
- (b) The increase in the rate of import duty on—
  - (i) Beer:
  - (ii) Rectified spirits of wine and ethyl alcohol:
  - (iii) Spirits, liqueurs and other spirituous beverages:
  - (iv) Cigars and cheroots, cigarettes, snuff, manufactured tobacco:
  - (v) Methyl alcohol:
- (c) The increase in sales tax on—
  - (i) Marine outboard engines having a maximum rated output exceeding 7.5 kilowatts to 40 percent:
  - (ii) Marine inboard engines and parts and accessories for such engines to 30 percent:
  - (iii) Marine outboard engines having a maximum rated output not exceeding 7.5 kilowatts and parts and accessories for marine outboard engines to 30 percent:
  - (iv) Microphones and stands therefor, loudspeakers, audio-frequency electric amplifiers, being all goods classified under heading 85.14 of the Customs Tariff and parts and accessories for such apparatus to 30 percent:
  - (v) Radio broadcast and television broadcast reception apparatus classified in heading 85.15 of the Customs Tariff and parts and accessories for such apparatus to 30 percent:
  - (vi) Gramophones, dictating machines and other sound recorders and reproducers, including record players and tape decks, with or without sound heads, television image and sound recorders and reproducers, magnetic, being all goods classified under heading 92.11 of the Customs Tariff and parts and accessories for such apparatus to 30 percent:
- (d) The imposition of sales tax on such other goods, not being goods specified in Parts A to E of the First Schedule to the Sales Tax Act 1974, as may from time to time be determined by the Minister and subject to such conditions as he may prescribe at 10 percent.

*Clause 1* relates to the Short Title and commencement. The Bill is to come into force on 30 July 1976.

## PART I

## CUSTOMS

*This Part amends the Customs Act 1966*

*Clause 3: Subclause (1)* amends Part I of the Customs Tariff to provide for increases in the rates of duty on beer, ethyl alcohol and rectified spirits of wine, spirits, liqueurs and other spirituous beverages, cigars and cheroots, cigarettes, snuff, manufactured tobacco and methyl alcohol.

*Clause 4* amends the Third Schedule of the principal Act by imposing additional rates of excise duty on cigars and snuff, cigarettes and manufactured tobacco.

*Clause 5: Subclause (1)* increases the maximum rate of excise duty which may be imposed by Order in Council on cigars and snuff containing less than 75 percent of tobacco grown in New Zealand.

*Subclause (3)* increases the rate of excise duty on all cigars and snuff manufactured in New Zealand and containing less than 75 percent of tobacco grown in New Zealand.

## PART II

## SALES TAX

*This Part amends the Sales Tax Act 1974*

*Clause 7* substitutes a new Schedule of rates of sales tax.

In Part A of the Schedule (60 percent sales tax) the items are unchanged.

In Part B (50 percent sales tax) the items are unchanged.

In Part C (40 percent sales tax) item 9 is liable at present to 20 percent sales tax.

In Part D (37½ percent sales tax) the items are unchanged.

In Part E (30 percent sales tax) items 7 to 11 are liable at present to 20 percent sales tax.

In Part F (10 percent sales tax) item 2 is new.

Part G (20 percent sales tax) includes all items which are not exempt from sales tax and which are not liable at any other rate of tax. This is unchanged.

## PART III

## DISTILLATION

*This Part amends the Distillation Act 1971*

*Clause 9* increases the maximum rate of excise duty which may be imposed by Order in Council on whisky, gin, and related liquors manufactured in New Zealand.

---

*Hon. Mr Wilkinson*

## CUSTOMS ACTS AMENDMENT

---

### ANALYSIS

Title	
1. Short Title and commencement	
	<b>PART II</b>
	<b>SALES TAX</b>
	6. This Part to be read with Sales Tax Act 1974
	7. Rates of sales tax
	<b>PART III</b>
	<b>DISTILLATION</b>
	8. This Part to be read with Distillation Act 1971
	9. Excise duty payable Schedules

---

### A BILL INTITULED

#### An Act to amend the Customs Acts

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 and commencement**—(1) This Act may be cited as the Customs Acts Amendment Act 1976.

(2) This Act shall come into force on the 30th day of July 1976.

## PART I

## CUSTOMS

**2. This Part to be read with Customs Act 1966**—This Part of this Act shall be read together with and deemed part of the Customs Act 1966\* (in this Part referred to as the principal Act). 5

**3. Amendment of Customs Tariff**—(1) The Second Schedule to the principal Act (as amended by section 3 (1) of the Customs Acts Amendment Act 1975) is hereby amended by repealing so much of Part I of the Customs Tariff as relates to items 22.03.001, 22.03.002, 22.08.006, 22.08.019, ~~22.09.002, 22.09.009, 22.09.025,~~ 22.09.029, 22.09.035, 22.09.039, 22.09.045, 22.09.049, 22.09.051, 22.09.052, 22.09.053, 22.09.054, 22.09.059, 22.09.061, 22.09.062, 22.09.063, 22.09.064, 22.09.069, 24.02.100, 15 24.02.201, 24.02.209, 24.02.301, 24.02.302 and 29.04.009, and substituting the items, rates of duty, and exemptions from duty specified in the First Schedule hereto.

(2) Every reference in any other enactment (including any Order in Council) in force at the commencement of this Act 20 to any Tariff item shall thereafter, unless the context otherwise requires, be read as a reference to the corresponding item of the Tariff as substituted by subsection (1) of this section.

**4. Increase of excise duty on tobacco manufactured in New Zealand**—In addition to the duties fixed by section 134 of the principal Act and the Third Schedule to that Act (as amended 25 by section 14 (1) of the Customs Acts Amendment Act 1974), there shall be levied, collected, and paid on tobacco manufactured in New Zealand that is entered for home consumption after the passing of this Act the further excise duties herein- 30 after specified in respect of the following classes of tobacco, namely:

\*1966, No. 19

Amendments: 1967, No. 2, Part I; 1967, No. 137; 1968, No. 31; 1968, No. 142, Part I; 1970, No. 28, Part I; 1970, No. 44; 1971, No. 42; 1972, No. 7; 1978, No. 110; 1974, No. 4, Part I; 1974, No. 142, Part I; 1975, No. 3, Part I

Class of Tobacco	Additional Rates of Duty
Tobacco, manufactured:	
Cigars and snuff <i>per kg</i>	\$1.77
Cigarettes:	
Not exceeding in weight 1.134 kg per 1000 <i>per 1000</i>	\$3.21
Exceeding in weight 1.134 kg per 1000 <i>per kg</i>	\$2.83
Other manufactured tobacco <i>per kg</i>	\$2.11

5 **5. Authority to vary rates of excise duty on cigars and snuff**—(1) Section 135 of the principal Act (as amended by section 13 (1) of the Customs Acts Amendment Act 1974) is hereby amended by omitting the words “\$7.50 per kilogram”,

and substituting the words “\$9.00 per kilogram”.

(2) The Customs Acts Amendment Act 1974 is hereby consequentially amended by repealing section 13.

10 (3) Notwithstanding section 134 of this Act the rate of excise duty on all cigars and snuff containing less than 75 percent of tobacco grown in New Zealand shall be \$8.90 per kilogram.

(4) The Excise Duty (Cigars and Snuff) Order 1974 is hereby revoked.

## PART II

### 15 SALES TAX

**6. This Part to be read with Sales Tax Act 1974**—This Part of this Act is to be read together with and deemed part of the Sales Tax Act 1974\* (in this Part referred to as the principal Act).

20 **7. Rates of sales tax**—(1) The principal Act is hereby amended by repealing the First Schedule (as substituted by section 6 (1) of the Customs Acts Amendment Act 1975) and substituting the new First Schedule set out in the Second Schedule to this Act.

25 (2) The Customs Acts Amendment Act 1975 is hereby amended by repealing section 6.

\*1974, No. 18

Amendments: 1974, No. 40; 1974, No. 142, Part II; 1975, No. 3, Part II

## PART III

## DISTILLATION

**8. This Part to be read with Distillation Act 1971**—This Part of this Act shall be read together with and deemed part of the Distillation Act 1971\* (in this Part referred to as the principal Act). 5

**9. Excise duty payable**—(1) Section 63 (1) of the principal Act (as amended by section 26 of the Customs Acts Amendment Act 1974) is hereby amended by omitting the words “\$3.96 per proof litre” in both places where they occur, 10 and substituting in each case the words “\$4.60 per proof litre”.

(2) The Customs Acts Amendment Act 1974 is hereby consequentially amended by repealing section 26 (a).

\*1971, No. 38

Amendments: 1974, No. 4, Part III

---

Section 3 (1)

SCHEDULES  
FIRST SCHEDULE  
THE CUSTOMS TARIFF OF NEW ZEALAND  
Duties Imposed and Exemptions Substituted

**PART I**  
**THE STANDARD TARIFF**

Number	Description	Unit	Rates of Duty Effective On and After 1 July			Other Preferential Rates of Duty
			Year	Normal Tariff	British Preferential	
<b>Chapter 22</b>						
<b>Beverages, spirits and vinegar</b>						
22.03	<b>Beer made from malt:</b>					
22.03.001	Containing more than 2% of proof spirit: Having an original gravity not exceeding 1036 per 100 litres	1	1976	\$24.93	\$22.59	Aul \$13.20 per 100 l
	per 100 litres		1977	\$24.93	\$24.93	Can \$19.07 per 100 l CPC \$19.07 per 100 l

## FIRST SCHEDULE—continued

Number	Description	Unit	Rates of Duty Effective On and After 1 July			Other Preferential Rates of Duty
			Year	Normal Tariff	British Preferential	
<b>Chapter 22—continued</b>						
<b>Beverages, spirits and vinegar—continued</b>						
22.03.002	Beer made from malt— <i>continued</i> Containing more than 2% of proof spirit— <i>continued</i> Having an original gravity exceeding 1036	1	1976	\$24.93 plus 48.88c*	\$22.59 plus 48.88c*	Aul \$13.20 per 100 l
			1977	\$24.93 plus 48.88c*	\$24.93 plus 48.88c*	plus 36.66c* Can \$19.07 per 100 l plus 48.88c* CPC \$19.07 per 100 l plus 48.88c*



22.08	Ethyl alcohol or neutral spirits, undenatured, containing not less than 140% of proof spirit; denatured spirits (including ethyl alcohol and neutral spirits) of any strength:					
	Rectified spirits of wine:					
	Other .. .. .	.. .. .	per proof l	1976	\$4.631	Aul \$4.60
22.08.006			per proof l	1977	\$4.677	Can \$4.60
						per proof l
						CPC \$4.60
						per proof l
						Aul \$4.60
						per proof l
						Can \$4.60
						per proof l
						CPC \$4.60
						per proof l
22.08.019	Other .. .. .	.. .. .	per proof l	1976	\$4.631	Aul \$4.60
			per proof l	1977	\$4.677	Can \$4.60
22.09	Spirits (other than those of heading No. 22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages:					
	Cordials, liqueurs, and bitters (other than bitters prepared solely for use as flavouring for food or beverages):					
	Containing more than 40% of proof spirit but not exceeding the strength of proof		per proof l	1976	\$4.60	Aul \$4.60
22.09.002			per proof l	1976	\$4.60	Can \$4.60
22.09.009	Exceeding the strength of proof		per proof l	1976	\$4.60	Aul \$4.60

\*For each unit of original gravity exceeding 1036.

## FIRST SCHEDULE—continued

Number	Description	Unit	Rates of Duty Effective On and After 1 July			Other Preferential Rates of Duty
			Year	Normal Tariff	British Preferential	
<b>Chapter 22—continued</b>						
<b>Beverages, spirits and vinegar—continued</b>						
	<b>Spirits etc.—continued</b>					
	Other kinds:					
	Sweetened:					
	Containing more than 40% of proof spirit but not exceeding the strength of proof, in combination with other ingredients	<i>per proof l</i>	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>
22.09.025		proof l				
	Exceeding the strength of proof, in combination with other ingredients	<i>per proof l</i>	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>
22.09.029		proof l				

2	22.09.035	<p>Other kinds:                      Containing more than 40% of proof spirit                      but not exceeding the strength of proof  <i>per proof l</i>  <i>per proof l</i></p>	proof l	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>
	22.09.039	Exceeding the strength of proof <i>per proof l</i> <i>per proof l</i>	proof l	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>
	22.09.045	<p>Unsweetened:                      Containing more than 40% of proof spirit but                      not exceeding the strength of proof, in com-                      bination with other ingredients  <i>per proof l</i>  <i>per proof l</i></p>	proof l	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>
	22.09.049	Exceeding the strength of proof, in combina- tion with other ingredients <i>per proof l</i> <i>per proof l</i>	proof l	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 <i>per proof l</i> Can \$4.60 <i>per proof l</i> CPC \$4.60 <i>per proof l</i>

FIRST SCHEDULE—continued

Number	Description	Unit	Rates of Duty Effective On and After 1 July			Other Preferential Rates of Duty
			Year	Normal Tariff	British Preferential	
<b>Chapter 22—continued</b>						
<b>Beverages, spirits and vinegar—continued</b>						
	<b>Spirits, etc.—continued</b>					
	Other kinds—continued					
	Unsweetened—continued					
	Other spirituous beverages, the strength of which can be ascertained by Sike's hydrometer:					
	In bottles:					
	Rum .. .. .	per proof l	1976	\$4.754	\$4.661	Aul \$4.60
22.09.051	.. .. .	per proof l	1977	\$4.754	\$4.754	per proof l
	Brandy .. .. .	proof l	1976	\$4.60	\$4.60	Can \$4.60
22.09.052	.. .. .	per proof l	1976	\$4.60	\$4.60	per proof l
22.09.053	Gin, geneva, schnapps	proof l	1976	\$4.60	\$4.60	CPC \$4.60
	.. .. .	proof l	1976	\$4.60	\$4.60	per proof l

22.09.054	Whisky .. ..	..	..	per proof / per proof /	proof 1	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 per proof / Can \$4.60 per proof / CPC \$4.60 per proof /
22.09.059	Other .. ..	..	..	per proof / per proof /	proof 1	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 per proof / Can \$4.60 per proof / CPC \$4.60 per proof /
22.09.061	In other containers: Rum .. ..	..	..	per proof / per proof /	proof 1	1976 1977	\$4.754 \$4.754	\$4.661 \$4.754	Aul \$4.60 per proof / Can \$4.60 per proof / CPC \$4.60 per proof /
22.09.062	Brandy .. ..	..	..	per proof /	proof 1	1976	\$4.60	\$4.60	Aul \$4.60 per proof /
22.09.063	Gin, geneva, schnapps	..	..	per proof /	proof 1	1976	\$4.60	\$4.60	Aul \$4.60 per proof /
22.09.064	Whisky .. ..	..	..	per proof / per proof /	proof 1	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 per proof / Can \$4.60 per proof / CPC \$4.60 per proof /
22.09.069	Other .. ..	..	..	per proof / per proof /	proof 1	1976 1977	\$4.677 \$4.677	\$4.631 \$4.677	Aul \$4.60 per proof / Can \$4.60 per proof / CPC \$4.60 per proof /

FIRST SCHEDULE—continued

Number	Description	Unit	Rates of Duty Effective On and After 1 July			Other Preferential Rates of Duty
			Year	Normal Tariff	British Preferential	
<b>Chapter 24</b>						
<b>Tobacco</b>						
24.02 24.02.100	<b>Manufactured tobacco; tobacco extracts and essences:</b> Cigars and cheroots, including the weight of every band, wrapper or attachment thereto	kg	1976	\$13.67 plus 12½%	\$13.34 plus 12½%	Aul \$13.11 per kg plus 12½%
			1977	\$13.67 plus 12½%	\$13.67 plus 12½%	
						CPC \$13.11 per kg plus 12½%



Section 7 (1)

## SECOND SCHEDULE

## NEW FIRST SCHEDULE TO SALES TAX ACT 1974

## “FIRST SCHEDULE

## RATES OF SALES TAX

## “PART A

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 60 PERCENT OF THEIR SALE VALUE

1. Motorcars having piston engines with a total piston displacement exceeding 2700 cubic centimetres.

## “PART B

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 50 PERCENT OF THEIR SALE VALUE

1. Motorcars having piston engines, with a total piston displacement exceeding 2000 cubic centimetres, but not exceeding 2700 cubic centimetres.
2. Cameras; photographic flashlight apparatus; camera stands, tripods, and other parts and accessories for use with cameras or photographic flashlight apparatus.
3. Film in rolls, sensitised, unexposed (but excluding sensitised surfaces specially suited for use in X-ray photography).
4. Refracting telescopes (binocular), prismatic or not.
5. Smokers' lighters.
6. Stereoscopes.

## “PART C

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 40 PERCENT OF THEIR SALE VALUE

1. Motor vehicles (other than motorcars to which Part A or Part B or Part D or Part E of this Schedule applies); trailers for motor vehicles.
2. Cuff links, studs, tie slides, tie tacks, and similar accessories; combs and hairslides.
3. Gramophone records and other sound recordings.
4. Prepared tapes, wires, strips, and like articles of a kind used for sound recording.
5. Jewellery of all kinds, pearls, and precious or semi-precious stones.
6. Office machines (being all goods classified under heading 84.51, 84.52, 84.53, or 84.54 of the Customs Tariff), photocopying and thermocopying apparatus classified under heading 90.10 of the Customs Tariff, and parts and accessories for such machines and apparatus.
7. Perfumery, cosmetics, and toilet preparations.
8. Statuettes, vases, and ornaments.
9. Marine outboard engines having a maximum rated output exceeding 7.5 kilowatts.



“PART D

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 37½ PERCENT OF THEIR SALE VALUE

1. Motorcars having piston engines with a total piston displacement exceeding 1350 cubic centimetres, but not exceeding 2000 cubic centimetres.

“PART E

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 30 PERCENT OF THEIR SALE VALUE

1. Motorcars having piston engines with a total piston displacement not exceeding 1350 cubic centimetres.
2. Apparatus and equipment of a kind used in photographic or cinematographic laboratories; film measuring apparatus and footage counters; shearing and cutting machines (including guillotines) peculiar to use in photography.
3. Watches and parts of watches.
4. Cinematograph and other image projectors, and parts and accessories therefor.
5. Firearms, ammunition, explosives, and fireworks.
6. Thermometers, barometers, and hygrometers, other than those designed for industrial, scientific, or clinical use.
7. Marine inboard engines and parts and accessories for such engines.
8. Marine outboard engines having a maximum rated output not exceeding 7.5 kilowatts and parts and accessories for marine outboard engines.
9. Microphones and stands therefor, loudspeakers, audio-frequency electric amplifiers, being all goods classified under heading 85.14 of the Customs Tariff and parts and accessories for such apparatus.
10. Radio broadcast and television broadcast reception apparatus classified in heading 85.15 of the Customs Tariff and parts and accessories for such apparatus.
11. Gramophones, dictating machines and other sound recorders and reproducers, including record players and tape decks, with or without sound heads, television image and sound recorders and reproducers, magnetic, being all goods classified under heading 92.11 of the Customs Tariff and parts and accessories for such apparatus.

“PART F

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 10 PERCENT OF THEIR SALE VALUE

1. Aircraft.
2. Such other goods, not being goods specified in Parts A to E of this Schedule, as may from time to time be determined by the Minister and subject to such conditions as he may prescribe.

## “PART G

“GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO  
SALES TAX AT THE RATE OF 20 PERCENT OF THEIR SALE VALUE

All other goods, being goods not subject to any other rate of sales tax.”