

# CUSTOMS ACTS AMENDMENT BILL

## EXPLANATORY NOTE

THIS Bill amends the Customs Act 1966, the Sales Tax Act 1974, the Beer Duty Act 1977, and the Distillation Act 1971 to give effect to the Budget announcements in respect of—

- (a) The increase in the beer duty on beer brewed by licensed brewers in New Zealand;
- (b) The increase in the rate of import duty on—
  - (i) Beer; and
  - (ii) Spirits, liqueurs, and other spirituous beverages;
- (c) The increases in sales tax—
  - (i) From 20 percent to 40 percent on fortified wines containing more than 25 percent of proof spirit; and
  - (ii) From 15 percent to 25 percent on cigars, cheroots, cigarillos, snuff, cigarettes and other manufactured tobacco including cigarette and pipe tobacco; and
  - (iii) From 20 percent to 40 percent on film, in sensitised unexposed sheets (but excluding sensitised surfaces specially suited for use in X-ray photography);
- (d) The decrease in the rate of sales tax from 50 percent to 40 percent on film in sensitised unexposed rolls;
- (e) The liability of film for sales tax, whether or not it is used in the manufacture of goods for sale.

*Clause 1* relates to the Short Title and commencement. This Bill is to come into force on 4 July 1980.

## PART I

### CUSTOMS

This Part amends the Customs Act 1966.

*Clause 3* amends Part I of the Customs Tariff to provide for increases in the rates of duty on beer, spirits, liqueurs, and other spirituous beverages.

## PART II

### SALES TAX

This Part amends the Sales Tax Act 1974.

*Clause 5*: At present goods are deemed to have been sold by a wholesaler or manufacturing retailer on their use by him or for his benefit except where the goods are used as materials in the manufacture of goods for sale.

This clause provides that in the case of sensitised unexposed photographic film, plates, or similar photographic material, excluding sensitised surfaces specially suited for use in X-ray photography, the goods are deemed to have been sold on their use in any way by or for the benefit of a wholesaler or manufacturing retailer, whether or not the goods are used as material in the manufacture of goods for sale.

*Clause 6* provides that no credit is to be given in respect of sensitised unexposed photographic film, plates, or similar photographic material used in the manufacture of non-taxable goods for sale.

*Clause 7* substitutes a new revised schedule of rates of sales tax as follows:

- (a) In Part A of the Schedule (60 percent sales tax) the items are unchanged:
- (b) In Part B (50 percent sales tax) item 3, film in rolls, sensitised, unexposed (but excluding sensitised surfaces specially suited for use in X-ray photography) is omitted:
- (c) Part C (40 percent sales tax) is amended by the addition of new items 10 and 11 which provide for fortified wines containing more than 25 percent of proof spirit and sensitised film, plates, or similar photographic material (but excluding sensitised surfaces specially suited for use in X-ray photography):
- (d) In Parts D (37½ percent) and E (30 percent) the items are unchanged:
- (e) Part F (25 percent) provides for the new rate of sales tax on cigars, cheroots, cigarillos, snuff, cigarettes, and other manufactured tobacco, including cigarette and pipe tobacco:
- (f) Part G (20 percent) includes all items that are not exempt from sales tax and that are not liable to any other rate of sales tax:
- (g) In Part H (10 percent) the items are unchanged:
- (h) In Parts I (0.5 cents per litre), J (1.5 cents per litre), K (4.0 cents per litre), and Part L (5.0 cents per litre), the items are unchanged.

### PART III

#### BEER DUTY

This Part amends the Beer Duty Act 1977.

*Clause 9* substitutes a new rate of beer duty on beer brewed by licensed brewers in New Zealand as set out in the Third Schedule.

### PART IV

#### DISTILLATION

This Part amends the Distillation Act 1971.

*Clause 11* increases the maximum rate of excise duty that may be imposed by Order in Council on whisky, gin, and related liquors and other spirituous beverages containing over 40 percent of proof spirit distilled or manufactured in New Zealand from \$5.14 to \$5.79 per proof litre.

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**1. Short Title and commencement**—(1) This Act may be cited as the Customs Acts Amendment Act 1980.

(2) This Act shall come into force on the 4th day of July 1980.

## PART I

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### 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).

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**3. Amendment of Customs Tariff**—(1) The Second Schedule to the principal Act (as substituted by the Customs Acts Amendment Act (No. 2) 1977) is hereby amended by repealing so much of Part I of the Customs Tariff as relates to items 22.03.003, 22.03.004, 22.03.007, 22.03.008, 22.08.001, 22.08.011, 22.08.019, 22.08.021, 22.08.029, 22.08.039, 22.09.001, 22.09.011, 22.09.019, 22.09.021, 22.09.025, 22.09.031, 22.09.035, 22.09.041, 22.09.049, 22.09.051, 22.09.059, 29.04.001, 29.04.005, 29.04.009, 29.04.011, and 29.04.019, and substituting the items and rates of duty specified in the First Schedule hereto.

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

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\*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; 1973, No. 110; 1974, No. 4, Part I; 1974, No. 142, Part I; 1975, No. 3, Part I; 1975, No. 38, Part I; 1976, No. 5, Part I; 1976, No. 15; 1976, No. 2, Part I; 1977, No. 16, Part I; 1977, No. 85, Part I; 1978, No. 2, Part I; 1978, No. 60, Part I; 1979, No. 7, Part I; 1979, No. 137, Part I

PART II

SALES TAX

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

5. **Goods deemed to have been sold**—Section 13 (b) of the principal Act (as substituted by section 19 of the Customs Acts Amendment Act (No. 2) 1976) is hereby amended by  
10 inserting, after subparagraph (i), the following subparagraph:

15 “(ia) On the use in any way by him of any sensitised unexposed photographic film, plates, or similar photographic material, whether or not in combination with other materials, but excluding sensitised surfaces specially suited for use in X-ray photography.”

6. **Credit for sales tax paid on goods or materials purchased**—(1) Section 49 of the principal Act, is hereby  
20 amended by inserting, after subsection (1), the following subsection:

25 “(1A) Notwithstanding anything in subsection (1) of this section, no deduction shall be allowed in respect of any sensitised unexposed photographic film, plates, or similar photographic material, whether or not in combination with other materials, otherwise than when such goods are used in the manufacture for resale of taxable goods.”

7. **Rates of sales tax**—(1) The principal Act is hereby amended by repealing the First Schedule (as substituted by  
30 section 7 (1) of the Customs Acts Amendment Act 1977

\*1974, No. 18

Amendments: 1974, No. 40; 1974, No. 142, Part II; 1975, No. 3, Part II; 1975, No. 38, Part II; 1976, No. 5, Part II; 1976, No. 142, Part II; 1977, No. 16, Part II; 1977, No. 85, Part II; 1978, No. 60, Part II; 1979, No. 7, Part II; 1979, No. 137, Part II

and amended by section 14 of the Customs Acts Amendment Act (No. 2) 1978 and section 6 (1) of the Customs Acts Amendment Act 1979), and substituting the new First Schedule set out in the Second Schedule to this Act.

(2) The following enactments are hereby consequentially 5  
repealed:

(a) Section 7 of the Customs Acts Amendment Act 1977:

(b) Section 14 of the Customs Acts Amendment Act  
(No. 2) 1978:

(c) Section 6 of the Customs Acts Amendment Act 1979. 10

(3) The Sales Tax Rates Modification Order 1980 is hereby revoked.

### PART III

#### BEER DUTY

**8. This Part to be read with Beer Duty Act 1977—**This 15  
Part of this Act is to be read together with and deemed part of the Beer Duty Act 1977\* (in this Part referred to as the principal Act).

**9. Rates of duty on beer brewed in New Zealand—**The 20  
principal Act is hereby amended by repealing the First Schedule, and substituting the new First Schedule set out in the Third Schedule to this Act.

\*1977, No. 51

Amendment: 1979, No. 137, Part III

### PART IV

#### DISTILLATION

**10. This Part to be read with Distillation Act 1971—** 25  
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).

\*1971, No. 38

Amendments: 1974, No. 4, Part III; 1976, No. 5, Part III; 1976, No. 142, Part IV; 1977, No. 16, Part IV; 1977, No. 85, Part III; 1979, No. 137, Part IV

**11. Excise duty payable**—(1) Section 63 (1) of the principal Act (as amended by section 13 of the Customs Acts Amendment Act 1977) is hereby amended by omitting the expression “\$5.14” in both places where it occurs, and  
5 substituting in each case the expression “\$5.79”.

(2) The Customs Acts Amendment Act 1977 is hereby consequentially amended by repealing section 13.

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SCHEDULES  
FIRST SCHEDULE—DUTIES IMPOSED  
**PART I**  
**THE STANDARD TARIFF**

Number	Goods	Rates of Duty		Statistical Key	
		Normal Tariff	Preferential Tariff	Code	Unit Description
<b>22.03</b>	<b>Beer made from malt:</b>				
22.03.003	- Containing not more than 1.7% alcohol by volume ... ..	27.5	Aul 17.5 Can 17.5 DC 17.5	00J	1
22.03.005	- Containing more than 1.7% but not more than 3% alcohol by volume ... ..	27.99c	Aul 14.00c Can 23.27c	00A	1
22.03.006	- Containing more than 3% but not more than 4.35% alcohol by volume ... ..	31.99c	Aul 18.00c Can 27.27c	00H	1
22.03.011	- Containing more than 4.35% but not more than 5% alcohol by volume ... ..	44.49c	Aul 27.00c Can 39.77c	00A	1
22.03.019	- Containing more than 5% alcohol by volume ... ..	58.03c	Aul 36.00c Can 53.31c	00B	1



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:					
22.08.001	- Ethyl alcohol or neutral spirits denatured in accordance with the Customs Regulations ... ..	5	Aul Free Can Free DC Free	00D	1	
- Rectified spirits of wine:						
22.08.011	- - As may be approved by the Minister for fortifying New Zealand wines and under such conditions as he may prescribe ... ..	Free¶	..	00K	proof 1	
22.08.019	- - Other ... ..	\$5.86	Aul \$5.79 Can \$5.79	00L	proof 1	
- Ethyl alcohol or neutral spirits, denatured, to which has been added ethyl ether, benzol or approved petroleum products, in such proportions as may be approved by the Minister and under such conditions as he may prescribe:						
22.08.021	- - As may be determined by the Minister	9.36c	..	00E	1	
22.08.029	- - Other ... ..	12.7c	..	00F	1	

## FIRST SCHEDULE—continued

Number	Goods	Rates of Duty		Statistical Key		
		Normal Tariff	Preferential Tariff	Code	Unit	Description
22.08.039	- Other ... ..	\$5.86	Aul \$5.79 Can \$5.79	00A	proof 1	
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:					
22.09.001	- - Bitters ... ..	per proof ℓ \$1.53	..	00H	1	
	- - Other:					
22.09.011	- - - Containing not more than 40% of proof spirit ... ..	55c\$ plus 10	Aul 55c\$ DC 55c\$	00C	1	
22.09.019	- - - Other kinds ... ..	per proof ℓ \$5.79	..	01B	proof 1	Containing more than 40% of proof spirit but not exceeding the strength of proof
	- Spirits and spirituous beverages the strength of which can be ascertained by Sikes's hydrometer:			09H	proof 1	Other

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22.09.021	-- Rum	...	...	<i>per proof ℓ</i>	\$5.92	Aul \$5.79 Can \$5.79	01G proof 09B proof	In bottles Otherwise packed
22.09.025	-- Brandy	...	...	<i>per proof ℓ</i>	\$5.79	..	01B proof 09H proof	In bottles Otherwise packed
22.09.031	-- Gin, geneva, schnapps	...	...	<i>per proof ℓ</i>	\$5.79	..	01B proof 09H proof	In bottles Otherwise packed
22.09.035	-- Whisky	...	...	<i>per proof ℓ</i>	\$5.86	Aul \$5.79 Can \$5.79	01H proof 09C proof	In bottles Otherwise packed
22.09.041	-- Vodka	...	...	<i>per proof ℓ</i>	\$5.86	Aul \$5.79 Can \$5.79	01H proof 09C proof	In bottles Otherwise packed
22.09.049	-- Other	...	...	<i>per proof ℓ</i>	\$5.86	Aul \$5.79 Can \$5.79	01J proof 09D proof	Spirits obtained by distilling wine or grape marc: . In bottles . Otherwise packed
							11F proof 19A proof	. In bottles . Otherwise packed

FIRST SCHEDULE—continued

Number	Goods	Rates of Duty		Statistical Key		
		Normal Tariff	Preferential Tariff	Code	Unit	Description
	- Other:					
22.09.051	- - Containing not more than 40% of proof spirit ... ..	90c	Aul 85c Can 85c	00E	l	
22.09.059	- - Other kinds ... ..	\$5.868	Aul \$5.79 Can \$5.79	01D	proof l	Containing more than 40% of proof spirit but not exceeding the strength of proof
29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives:			09K	proof l	Other
	- Methanol (methyl alcohol):					
29.04.001	- - As may be approved by the Minister and under such conditions as he may prescribe ... ..	Free	..	00L	l	

29.04.005	-- When declared for use solely as racing fuel	...	...	12.7c	..	00F	1
29.04.009	-- Other	...	...	\$5.86	Aul \$5.79 Can \$5.79	00A	1
29.04.011	- Amyl, butyl, cetyl, stearyl and oleyl alcohols	...	...	Free	..	01D	1
29.04.019	- Other	...	...	5	Aul Free Can Free DC Free	09K 01E	1 1
						11B	1
						21K	1
						29E	1

§Plus the amount by which c.i.f. value is less than 90 cents per litre, or, where applicable, minus half the amount by which the c.i.f. value is more than 90 cents per litre, provided that the specific rate of duty so determined shall be not less than 25 cents per litre.

Section 7

## 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 2,700 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 2,000 cubic centimetres, but not exceeding 2,700 cubic centimetres.

2. Cameras; photographic flashlight apparatus; camera stands, tripods, and other parts and accessories for use with cameras or photographic flashlight apparatus.

3. Refracting telescopes (binocular), prismatic or not.

4. Smokers' lighters.

5. 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 cycles classified under heading 87.09 of the Customs Tariff having piston engines with a total displacement exceeding 250 cubic centimetres.

2. Cuff-links, studs, tie slides, tie tacks, and similar accessories.

3. Gramophone records and other sound recordings and covers or containers therefor.

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 or 84.52 or 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. Marine outboard engines having a maximum rated output exceeding 7.5 kilowatts.

9. Rum, brandy, gin, geneva, schnapps, whisky, vodka, liqueurs, bitters, and other spirituous beverages (being all goods classified within heading 22.09 of the Customs Tariff).

10. Wines, vermouths, and other fermented beverages, whether flavoured or not, containing more than 25 percent of proof spirit, classified under heading 22.05 or 22.06 or 22.07 of the Customs Tariff, fortified by the addition of spirits or any substance containing spirit.

11. Sensitised unexposed photographic film, photographic plates, or similar photographic material, whether or not in combination with other materials (but excluding sensitised surfaces specially suited for use in X-ray photography).

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 1,350 cubic centimetres, but not exceeding 2,000 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 1,350 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 motors.

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.

12. Air conditioning units of a kind classified in heading 84.12 or 84.59 of the Customs Tariff and that incorporate a refrigerating unit.

13. Motor vehicles (other than motor cycles classified under heading 87.09 of the Customs Tariff having piston engines with a total piston displacement not exceeding 125 cubic centimetres, and motor vehicles to which Part A or Part B or Part C or Part D or Part H of this Schedule applies).

14. Beer (as defined in section 2 of the Beer Duty Act 1977).

PART F

GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 25 PERCENT OF THEIR SALE VALUE

1. Cigars, cheroots, cigarillos, cigarettes, snuff, cigarette and pipe tobacco and other manufactured tobacco classified within heading 24.02 of the Customs Tariff, but excluding tobacco extracts and essences.

## 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

1. All other goods, being goods not subject to any other rate of sales tax.
2. Motor cycles classified under heading 87.09 of the Customs Tariff having piston engines with a total piston displacement not exceeding 125 cubic centimetres.
3. Trailers, other than those determined under the provisions of Part H of this Schedule, for motor vehicles.

## PART H

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 G and I to L of this Schedule as may from time to time be determined by the Minister and subject to such conditions as he may prescribe.
3. Combs and hair slides.
4. Statuettes, vases and ornaments.
5. Motor vehicles having a manufacturer's rated gross vehicle weight exceeding 3.5 tonnes.

## PART I

GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 0.5 CENTS PER LITRE

1. Diesel oil being a distillate fuel classified within tariff heading 27.10 of the Customs Tariff, not including marine diesel falling within Part J of this Schedule or oils to which Part K of this Schedule applies.

## PART J

GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 1.5 CENTS PER LITRE

1. Petroleum oils and preparations (being all goods classified within heading 27.10 of the Customs Tariff) but not including lubricating preparations or hydraulic oils and not including oils to which Part I or Part K or Part L of this Schedule applies.

## PART K

GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 4.0 CENTS PER LITRE

1. Kerosene classified within item 27.10.041 or 27.10.049 of the Customs Tariff, but not including kerosene to which Part L of this Schedule applies.
2. Oil classified within heading 27.10 of the Customs Tariff and being a blend of diesel and kerosene put up for sale or use as a home heating oil.

## PART L

GOODS WHICH, IF NOT EXEMPT FROM SALES TAX, ARE SUBJECT TO SALES TAX AT THE RATE OF 5.0 CENTS PER LITRE

1. Jet fuel, both kerosene and spirit type, classified within item 27.10.041 or 27.10.049 of the Customs Tariff."



THIRD SCHEDULE

NEW FIRST SCHEDULE TO THE BEER DUTY ACT 1977 Section 9

“FIRST SCHEDULE Section 15

RATES OF BEER DUTY

Beer exceeding 1.7 percent alcohol by volume, but not exceeding 3.00 percent alcohol by volume	.....	.....	.....	14.00 cents per litre
Beer exceeding 3.00 percent alcohol by volume, but not exceeding 4.35 percent alcohol by volume	.....	.....	.....	18.00 cents per litre
Beer exceeding 4.35 percent alcohol by volume, but not exceeding 5.00 percent alcohol by volume	.....	.....	.....	27.00 cents per litre
Beer exceeding 5.00 percent alcohol by volume	.....	.....	.....	36.00 cents per litre”