

## CUSTOMS ACTS AMENDMENT BILL (NO. 2)

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### EXPLANATORY NOTE

THIS Bill amends the Customs Act 1966, the Beer Duty Act 1977, the Distillation Act 1971, and the International Departure Tax Act 1979 to give effect to the Budget announcements 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 beer duty on beer brewed by licensed brewers in New Zealand:
- (c) The increase in the rates of import duty on—
  - (i) Beer:
  - (ii) Spirits, liqueurs and other spirituous beverages:
  - (iii) Cigars, snuff, cigarettes, and other manufactured tobacco:
- (d) The increase in the rates of international departure tax.

*Clause 1* relates to the Short Title and commencement. This Bill is to come into force on 10 July 1981.

### 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, cigars, cheroots, cigarettes, snuff, and other manufactured tobacco.

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

*Clause 5* 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

#### BEER DUTY

This Part amends the Beer Duty Act 1977.

*Clause 7* substitutes new rates of beer duty on beer brewed by licensed brewers in New Zealand, as set out in the Third Schedule.

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PART III

DISTILLATION

This Part amends the Distillation Act 1971.

*Clause 9* 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 more than 23 percent volume of alcohol distilled or manufactured in New Zealand from \$10.15 to \$11.69 per litre of alcohol.

PART IV

INTERNATIONAL DEPARTURE TAX

This Part amends the International Departure Tax Act 1979.

*Clause 11* substitutes new rates of international departure tax as set out in the Fourth Schedule.

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*Hon. Mr Templeton*

## CUSTOMS ACTS AMENDMENT (NO. 2)

### ANALYSIS

1. Short Title and commencement	7. Rates of duty on beer brewed in New Zealand
<p style="text-align: center;">PART I CUSTOMS</p>	<p style="text-align: center;">PART III DISTILLATION</p>
2. This Part to be read with Customs Act 1966	8. This Part to be read with Distillation Act 1971
3. Amendment of Customs Tariff	9. Excise duty payable
4. Excise duties	<p style="text-align: center;">PART IV INTERNATIONAL DEPARTURE TAX</p>
5. Authority to vary rates of excise duty on cigars and snuff	10. This Part to be read with International Departure Tax Act 1979
<p style="text-align: center;">PART II BEER DUTY</p>	11. Rates of international departure tax Schedules
6. This Part to be read with Beer Duty Act 1977	

### 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, as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Customs Acts Amendment Act (No. 2) 1981.

(2) This Act shall come into force on the 10th day of July 1981.

## 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 substituted by section 4 (1) of the Customs Acts Amendment Act (No. 2) 1977 and amended by section 6 (1) (c) of the Customs Acts Amendment Act 1981) is hereby further amended by repealing so much of Part I of the Customs Tariff as relates to items 22.03.003, 22.03.005, 22.03.006, 22.03.011, 22.03.019, 22.08.018, 22.08.038, 22.09.001, 22.09.011, 22.09.018, 22.09.022, 22.09.026, 22.09.032, 22.09.036, 22.09.042, 22.09.048, 22.09.052, 22.09.058, 24.02.001, 24.02.011, 24.02.019, 24.02.021, 24.02.031, 24.02.039, and 29.04.009, and substituting the items, rates of duty, and exemption from duty specified in the First Schedule to this Act. 10 15

(2) The Customs Acts Amendment Act 1981 is hereby amended by repealing so much of the First Schedule as relates to items 22.03.003, 22.03.005, 22.03.006, 22.03.011, 22.03.019, 22.08.018, 22.08.038, 22.09.001, 22.09.011, 22.09.018, 22.09.022, 22.09.026, 22.09.032, 22.09.036, 22.09.042, 22.09.048, 22.09.052, and 22.09.058. 20 25

(3) 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. 30

**4. Excise duties**—(1) The principal Act is hereby amended by repealing the Third Schedule (as substituted by section 11 (1) of the Customs Acts Amendment Act (No. 2) 1980 and amended by section 7 of the Customs Acts Amendment Act 1981), and substituting the new Third Schedule set out in the Second Schedule to this Act. 35

(2) The following enactments are hereby consequentially repealed:

\*R.S. Vol. 2, p. 57

Amendments: 1979, No. 7, Part I; 1979, No. 137, Part I; 1980, No. 5, Part I; 1980, No. 33, Part I; 1981, No. 2, Part I

- (a) Section 11 of the Customs Acts Amendment Act (No. 2) 1980 and the Schedule thereto:
- (b) Section 7 of the Customs Acts Amendment Act 1981 and the Second Schedule thereto.

- 5    **5. Authority to vary rates of excise duty on cigars and snuff**—(1) Section 135 of the principal Act (as amended by section 5 (1) of the Customs Acts Amendment Act 1977) is hereby amended by omitting the words “\$9.15 per kilogram”, and substituting the words “\$10.52 per kilogram”.
- 10   (2) Notwithstanding section 134 of the principal Act, the rate of excise duty on all cigars and snuff containing less than 75 percent of tobacco grown in New Zealand shall be \$10.52 per kilogram.
- 15   (3) The Customs Acts Amendment Act 1977 is hereby consequentially amended by repealing section 5.

## PART II

### BEER DUTY

- 20   **6. This Part to be read with Beer Duty Act 1977**—This 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).

- 25   **7. Rates of duty on beer brewed in New Zealand**—(1) The principal Act is hereby amended by repealing the First Schedule (as substituted by section 9 of the Customs Acts Amendment Act (No. 2) 1980 and amended by section 14 of the Customs Acts Amendment Act 1981), and substituting the new First Schedule set out in the Third Schedule to this Act.

- 30   (2) The following enactments are hereby consequentially repealed:

- (a) Section 9 of the Customs Acts Amendment Act (No. 2) 1980 and the Third Schedule thereto:
- (b) Section 14 of the Customs Acts Amendment Act 1981.

\*1977, No. 51  
Amendments: 1979, No. 137, Part III; 1980, No. 5, Part III; 1981, No. 2, Part III

**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 27 (1) of the Customs Acts Amendment Act 1981) is hereby amended by omitting the words “\$10.15 per litre of alcohol therein” in both places 10 where they occur, and substituting in each case the words “\$11.69 per litre of alcohol therein”.

(2) The Customs Acts Amendment Act 1981 is hereby consequentially amended by repealing section 27 (1) (b).

\*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; 1980, No. 5, Part IV; 1980, No. 33, Part III; 1981, No. 2, Part IV

**PART IV**

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**INTERNATIONAL DEPARTURE TAX**

**10. This Part to be read with International Departure Tax Act 1979**—This Part of this Act shall be read together with and deemed part of the International Departure Tax Act 1979\* (in this Part referred to as the principal Act). 20

**11. Rates of international departure tax**—The principal Act is hereby amended by repealing the Schedule, and substituting the new Schedule set out in the Fourth Schedule to this Act.

\*1979, No. 6

## SCHEDULES

### FIRST SCHEDULE—DUTIES IMPOSED

Section 3

### 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% vol. ...	27.5	Aul 17.5 Can 17.5 DC 17.5 Pac Free	00J	1	
22.03.005	- Containing more than 1.7% but not more than 3% vol. ... .. per ℓ	31.91c	Aul 16.00c Can 27.19c Pac 16.00c	00A	1	
22.03.006	- Containing more than 3% but not more than 4.35% vol. ... .. per ℓ	36.47c	Aul 20.50c Can 31.75c Pac 20.50c	00H	1	
22.03.011	- Containing more than 4.35% but not more than 5% vol. ... .. per ℓ	50.72c	Aul 31.00c Can 46.00c Pac 31.00c	00A	1	

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FIRST SCHEDULE—*continued*

Number	Goods	Rates of Duty		Statistical Key		
		Normal Tariff	Preferential Tariff	Code	Unit	Description
22.03.019	- Containing more than 5% vol. <i>per ℓ</i>	66.15c	Aul 41.00c Can 61.43c Pac 41.00c	00B	1	
<b>22.08</b>	<b>Ethyl alcohol or neutral spirits, undena- tured, of a strength of 80% vol. or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength:</b>					
	- Rectified spirits of wine:					
22.08.018	-- Other ... .. <i>per ℓ al</i>	\$11.81	Aul \$11.69 Can \$11.69 Pac \$11.69	00D	1	<i>al</i>
22.08.038	- Other ... .. <i>per ℓ al</i>	\$11.81	Aul \$11.69 Can \$11.69 Pac \$11.69	00E	1	<i>al</i>
<b>22.09</b>	<b>Spirits (other than those of heading No. 22.08); liqueurs and other spirituous beverages; compound alcoholic prepara- tions (known as "concentrated extracts") for the manufacture of beverages:</b>					
	- Cordials, liqueurs and bitters:					
22.09.001	-- Bitters ... .. <i>per ℓ</i>	\$1.76		00H	1	



	-- Other:								
22.09.011	--- Containing not more than 23% vol:								
		<i>per ℓ</i>	63c† plus 10	Aul 63c† DC 63c† Pac 29c	00C	1			
22.09.018	--- Other kinds	<i>per ℓ al</i>	\$11.69		01F	1 <i>al</i>		Containing more than 23% vol. but not exceeding 57% vol.	
					09A	1 <i>al</i>		Other	
	- Spirits and spirituous beverages the strength of which can be ascertained by OIML hydrometer:								
22.09.022	-- Rum	<i>per ℓ al</i>	\$11.92	Aul \$11.69 Can \$11.69 Pac \$11.69	01C	1 <i>al</i>		In bottles	
					09J	1 <i>al</i>		Otherwise packed	
22.09.026	-- Brandy	<i>per ℓ al</i>	\$11.69		01J	1 <i>al</i>		In bottles	
					09D	1 <i>al</i>		Otherwise packed	
22.09.032	-- Gin, geneva, schnapps	<i>per ℓ al</i>	\$11.69	Pac \$9.07	01J	1 <i>al</i>		In bottles	
					09D	1 <i>al</i>		Otherwise packed	
22.09.036	-- Whisky	<i>per ℓ al</i>	\$11.81	Aul \$11.69 Can \$11.69 Pac \$8.77	01D	1 <i>al</i>		In bottles	
					09K	1 <i>al</i>		Otherwise packed	

†Plus the amount by which the 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 29 cents per litre.

FIRST SCHEDULE—*continued*

Number	Goods	Rates of Duty		Statistical Key		
		Normal Tariff	Preferential Tariff	Code	Unit	Description
22.09.042	-- Vodka ... .. <i>per ℓ al</i>	\$11.81	Aul \$11.69 Can \$11.69 Pac \$9.07	01D 09K	1 <i>al</i> 1 <i>al</i>	In bottles Otherwise packed
22.09.048	-- Other ... .. <i>per ℓ al</i>	\$11.81	Aul \$11.69 Can \$11.69 Pac \$11.69	01B 09H 11K 19E	1 <i>al</i> 1 <i>al</i> 1 <i>al</i> 1 <i>al</i>	Spirits obtained by distilling wine or grape marc: . In bottles . Otherwise packed Other: . In bottles . Otherwise packed
	- Other:					
22.09.052	-- Containing not more than 23% vol. <i>per ℓ</i>	\$1.04	Aul 99c Can 99c Pac 99c	00A	1	
22.09.058	-- Other kinds ... .. <i>per ℓ al</i>	\$11.83	Aul \$11.69 Can \$11.69 Pac \$11.69	01H 09C	1 <i>al</i> 1 <i>al</i>	Containing more than 23% vol. but not exceeding 57% vol. Other

<b>24.02</b>	<b>Manufactured tobacco; tobacco extracts and essences:</b>								
24.02.001	- Cigars, cheroots and cigarillos, including the weight of every band, wrapper or attachment thereto ... .. per kg	\$16.11 plus 12.5	Aul \$15.55 plus 12.5 Can \$15.55 plus 12.5 DC \$15.55 plus 12.5 Pac \$9.87	00G	kg				
	- Cigarettes:								
24.02.011	-- Exceeding in weight 1.134 kg per 1000 ... .. per kg	\$17.38	DC \$16.77 Pac \$15.75	00B	kg				
24.02.019	-- Not exceeding in weight 1.134 kg per 1000 ... .. per 1000	\$19.70	DC \$19.07 Pac \$17.87	00C	Th				
24.02.021	- Snuff ... .. per kg	\$15.12	Aul \$14.84 Can \$14.84 Pac \$9.87	00H	kg				
24.02.031	+ Other manufactured tobacco ... .. per kg	\$13.18	Aul \$12.97 Can \$12.97 Pac \$11.80	01A 11J 19D	kg kg kg	Pipe Cigarette Other			
24.02.039	- Tobacco extracts and essences... ..	Free	..	00D	kg				

FIRST SCHEDULE—*continued*

Number	Goods	Rates of Duty		Statistical Key		
		Normal Tariff	Preferential Tariff	Code	Unit	Description
<b>29.04</b>	<b>Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated deriva- tives:</b>					
	- Methanol (methyl alcohol):					
29.04.009	-- Other ... .. per ℓ	\$6.74	Aul \$6.67 Can \$6.67 Pac \$6.67	00A	1	

SECOND SCHEDULE

Section 4

NEW THIRD SCHEDULE TO CUSTOMS ACT 1966

“THIRD SCHEDULE

Section 134 (1) (a)

EXCISE DUTIES

*Interpretation of this Schedule shall be governed by the same Rules of Interpretation applicable to the Second Schedule.*

Tariff Item	Goods	Rates of Duty
17.01.001 } 17.01.005 } 17.01.009 } 17.02.001 } 17.02.011 }	Sugar of any degree of polarisation ... ..	Free
17.02.041	Invert sugar and invert syrup ... ..	Free
17.02.061	Liquid sugar solution: On weight of sugar contained in the solution as determined by means of a Brix hydrometer or similar instrument ... ..	Free
17.02.051 } 17.02.061 } 17.03.001 } 17.03.009 }	Treacle, molasses, golden syrup, maple sugar, and maple syrup ... ..	Free
	Tobacco, manufactured:	
24.02.001 } 24.02.021 }	Cigars and snuff: Containing less than 75 percent of tobacco grown in New Zealand ... ..	per kg \$10.52
	Containing 75 percent or more of tobacco grown in New Zealand ... ..	per kg \$9.87

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SECOND SCHEDULE—*continued*

Tariff Item	Goods	Rates of Duty
	<b>Cigarettes:</b>	
24.02.019	Not exceeding in weight 1.134 kg per 1,000 ... ..	per 1,000 \$17.87
24.02.011	Exceeding in weight 1.134 kg per 1,000 ... ..	per kg \$15.75
24.02.031	Other manufactured tobacco ... ..	per kg \$11.80
	<b>Spirits used in manufacturing warehouses in the production of:</b>	
33.04.011 } 33.04.019 }	Culinary and flavouring essences ... ..	per litre of alcohol 77c
30.03.011 } 30.03.021 } 30.03.031 } 30.03.039 }	<b>Medicaments:</b> Containing more than 29 percent volume of alcohol ... .. Other ... ..	per litre of alcohol 18c Free
33.06.029 } 33.06.039 }	Mouthwashes, oral antiseptics, oral toilet preparations, and dentifrices ... ..	Free
48.10.001 } 48.10.009 }	<b>Cigarette tubes, cigarette papers, and cigarette paper manufactured in a manufacturing warehouse:</b> For each 1,000 tubes or 1,000 papers or the equivalent of 1,000 tubes or papers ... ..	7c"

THIRD SCHEDULE

Section 9

NEW FIRST SCHEDULE TO BEER DUTY ACT 1977

“FIRST SCHEDULE

Section 15

RATES OF BEER DUTY

Beer exceeding 1.7 percent volume of alcohol, but not exceeding 3 percent volume of alcohol ... ..	16.00 cents per litre
Beer exceeding 3 percent volume of alcohol, but not exceeding 4.35 percent volume of alcohol ... ..	20.50 cents per litre
Beer exceeding 4.35 percent volume of alcohol, but not exceeding 5 percent volume of alcohol ... ..	31.00 cents per litre
Beer exceeding 5 percent volume of alcohol ...	41.00 cents per litre.

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FOURTH SCHEDULE

Section 11

NEW SCHEDULE TO INTERNATIONAL DEPARTURE TAX ACT 1979

“SCHEDULE

Section 10

RATES OF INTERNATIONAL DEPARTURE TAX

	Rate Per Ticket
International travel by children under the age of 12 years ...	\$7.00
International travel by all other persons ... ..	\$35.00”