

*Right Hon. Mr. Massey.*

## FINANCE.

### ANALYSIS.

Title.

1. Short Title.

#### PART I.

##### PUBLIC REVENUES.

2. Increase of unauthorized expenditure in connection with working railways for current financial year.
3. Appropriations for year ending 31st March, 1921, extended to 31st October, 1921.
4. Westport Harbour Act, 1920, amended by making provision as to Westport Harbour Account.

#### PART II.

##### LAND AND INCOME TAX.

5. Prescribing rates of land-tax for year commencing 1st April, 1921.
6. Prescribing rates of income-tax for year commencing 1st April, 1921.
7. Partial exemption of insurance companies from income-tax.
8. Reduced rates of penal tax, for default in payment of tax by due date, made applicable to tax for year commencing 1st April, 1920.

9. Declarations made for purposes of land and income tax to be exempt from stamp duty.

#### PART III.

##### LOCAL AND PUBLIC BODIES' LOANS.

10. Minister of Finance may vary, in respect of rate of interest or duration, conditions subject to which local authorities authorized to borrow moneys. Repeal. Saving.
11. Modifying provisions as to guarantee by Government of loans raised by local authorities.

#### PART IV.

##### MISCELLANEOUS.

##### *Board of Health.*

12. Members of Legislature may be appointed members of Board of Health.

##### *Banking.*

13. Section 46 of Finance Act, 1916 (relating to restrictions on carrying-on of banking), amended.

### A BILL INTITULED

AN ACT to amend temporarily the Law relating to the Public Revenues, to fix the Rates of Land-tax and Income-tax for the Year commencing on the First Day of April, Nineteen hundred and twenty-one, and to make Provision with respect to certain other Matters. Title.

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

- 10 1. This Act may be cited as the Finance Act, 1921. Short Title.

## PART I.

## PUBLIC REVENUES.

Increase of unauthorised expenditure in connection with working railways for current financial year.

Appropriations for year ending 31st March, 1921, extended to 31st October, 1921.

2. (1.) While this section continues in operation section three of the Public Revenues Amendment Act, 1915 (relating to unauthorised expenditure), shall be read and shall operate as if the sum of six hundred and fifty thousand pounds were substituted for the sum of one hundred and fifty thousand pounds as from the thirty-first day of March, nineteen hundred and *twenty*. 5

(2.) This section shall continue in operation until the close of the thirty-first day of March, nineteen hundred and *twenty-one*, and no longer. 10

3. (1.) While this section continues in operation sections forty-three and forty-four of the Public Revenues Act, 1910 (relating to extended appropriations), shall be read and shall operate as if the following amendments were made therein as from the thirty-first day of March, nineteen hundred and *twenty-one* :— 15

(a.) The words "period ending on the close of the thirty-first day of October next" shall be deemed to be substituted for the words "space of three months" in subsection one of the said section forty-three : 20

(b.) The words "the period so ending on the thirty-first day of October" shall be deemed to be substituted for the words "such three months" in subsection one of the said section forty-three : 20

(c.) The words "bearing the same proportion to the total amount of such vote as the period elapsing between the commencement of the financial year and the close of the thirty-first day of October thereafter bears to the whole financial year" shall be deemed to be substituted for the words "equal to one-fourth part of such vote" in the first proviso to the said section forty-three : 25 30

(d.) The words "the period so ending on the close of the thirty-first day of October thereafter" shall be deemed to be substituted for the words "the three months thereafter" in paragraph (c) of the said section forty-four. 35

(2.) While this section continues in operation, section forty-seven of the Public Revenues Act, 1910 (relating to transfers from one vote to any other vote in the same class), shall be read and shall operate as if the words "in the same or any other class" were substituted for the words "in the same class" in subsection one. 40

(3.) While this section continues in operation, section three of the Public Revenues Amendment Act, 1915 (relating to unauthorised expenditure), as amended by section thirty-nine of the Finance Act, 1916, shall be read and shall operate as if the following amendments were made therein as from the thirty-first day of March, nineteen hundred and *twenty-one* :— 45

(a.) The sum of two hundred and fifty thousand pounds shall be deemed to be substituted for the sum of one hundred and fifty thousand pounds :

(b.) The sum of six hundred thousand pounds shall be deemed to be substituted for the sum of three hundred and fifty thousand pounds. 50

(4.) Notwithstanding anything contained therein, this section shall not be deemed to be an Act granting and appropriating money within the meaning and for the purposes of section forty-three of the Public Revenues Act, 1910.

5 (5.) This section shall, unless sooner repealed, continue in operation until the close of the thirty-first day of October, nineteen hundred and *twenty-one*, and no longer.

4. The Westport Harbour Act, 1920, is hereby amended, as from the passing thereof, as follows:—

10 (a.) By inserting after section five the following new section:—

“ 5A. (1.) There shall be a special account in the Public Account to be called the Westport Harbour Account.

15 “ (2.) The Minister of Finance may from time to time, without further appropriation than this Act, transfer from the Ordinary Revenue Account of the Consolidated Fund to the Westport Harbour Account such sums as may from time to time be required for the purposes of this Act.”

20 (b.) By omitting from subsection four of section six the words “ the Consolidated Fund,” and substituting the words “ the Westport Harbour Account ” :

(c.) By omitting from section seven the words “ the Consolidated Fund ” wherever they occur, and in each case substituting the words “ the Westport Harbour Account ” :

25 (d.) By omitting from section eight the words “ the Consolidated Fund ” wherever they occur, and in each case substituting the words “ the Westport Harbour Account.”

## PART II.

### LAND AND INCOME TAX.

30 5. For the year commencing on the first day of April, nineteen hundred and *twenty-one*, land-tax shall be assessed, levied, and paid, pursuant to Part I of the Finance Act, 1917, at the rates specified in Part I of the Schedule to the Land and Income Tax Amendment Act, 1920.

Prescribing rates of land-tax for year commencing 1st April, 1921.

35 6. For the year commencing on the first day of April, nineteen hundred and *twenty-one*, income-tax shall be assessed, levied, and paid, pursuant to the Land and Income Tax Act, 1916, at the rates specified in Part II of the Schedule to the Land and Income Tax Amendment Act, 1920.

Prescribing rates of income-tax for year commencing 1st April, 1921.

40 7. Unless otherwise provided in the annual taxing Act for any year, the amount of income-tax payable by any company carrying on the business of life insurance for the year commencing on the first day of April, nineteen hundred and *twenty-one*, and for every year thereafter, shall be one-half the amount that would be payable by the company if this section had not been passed.

Partial exemption of insurance companies from income-tax.

45 8. (1.) The amendments effected in section one hundred and twenty-seven of the Land and Income Tax Act, 1916, by section twenty-eight of the Land and Income Tax Amendment Act, 1920, shall apply with respect to income-tax payable under the Land and

Reduced rates of penal tax, for default in payment of tax by due date, made applicable to tax for year commencing 1st April, 1920.

Income Tax (Annual) Act, 1920, for the year commencing on the first day of April, nineteen hundred and twenty.

(2.) This section shall be deemed to have been in force as from the date of the passing of the Land and Income Tax Amendment Act, 1920.

Declarations made for purposes of land and income tax to be exempt from stamp duty.

9. Every affidavit or declaration made for the purposes of the Land and Income Tax Act, 1916, shall be exempt from the payment of stamp duty, and the list of exemptions under the heading "Affidavit or Declaration made under Statute" in the Seventh Schedule to the Finance Act, 1915, is hereby extended accordingly.

### PART III.

#### LOCAL AND PUBLIC BODIES' LOANS.

Minister of Finance may vary, in respect of rate of interest or duration, conditions subject to which local authorities authorized to borrow moneys.

10. (1.) Notwithstanding anything to the contrary in any Act or in any rule of law, where a local authority or public body has been authorized before the passing of this Act or is hereafter authorized to borrow money, whether pursuant to a poll of ratepayers or otherwise howsoever, at a specified rate of interest or for a specified term exceeding ten years, and such money or any part thereof has not been borrowed, the local authority may, with the precedent consent of the Minister of Finance, borrow such money or such amount thereof as has not been borrowed, at such rate of interest or for such term, not less than ten years, as may be prescribed by the Governor-General by Order in Council.

(2.) An Order in Council under this section may relate generally to loans authorized to be raised by local authorities or public bodies, or may relate specifically to any such loan or loans that may be therein specified.

(3.) The consent of the Minister of Finance under this section shall be given with respect only to such loan or loans as may be specifically referred to therein.

(4.) The powers conferred by this section may be exercised in any case notwithstanding that debentures in respect of any moneys proposed to be borrowed may have been executed by a local authority, if such debentures have not been issued or hypothecated. Forthwith on the execution of debentures in respect of any moneys proposed to be borrowed pursuant to this section the local authority shall cancel all debentures theretofore executed by it as aforesaid and then uncanceled.

Repeal.

(5.) This section is in substitution for section thirty-three of the Finance Act, 1920, and that section is hereby accordingly repealed.

Saving.

(6.) All Orders in Council heretofore issued under section thirty-three of the Finance Act, 1920, and all consents heretofore given by the Minister of Finance under that section, shall be deemed to have been issued and given respectively under this section.

Modifying provisions as to guarantee by Government of loans raised by local authorities.

11. (1.) Section seventy-seven of the Local Bodies' Loans Act, 1913, is hereby amended by omitting the words "five hundred thousand," and substituting the words "two million."

(2.) Section eighty-one of the Local Bodies' Loans Act, 1913, is hereby amended as follows :—

(a.) By omitting from paragraph (b) the words "five per centum per annum," and substituting the words "such rate as the Minister may, in any case, approve"; and

5 (b.) By omitting from paragraph (c) the words "thirty-three years after the issue thereof," and substituting the words "a period not exceeding in any case thirty-three years after the issue thereof."

10 (3.) Section eighty-two of the Local Bodies' Loans Act, 1913, is hereby amended by omitting from subsection five the words "one and a half per centum per annum of the amount of the loan," and substituting the words "such per centum per annum of the amount of the loan as will, in the opinion of the Minister, be sufficient to provide for the repayment of the loan on the due date."

#### PART IV.

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#### MISCELLANEOUS.

##### *Board of Health.*

12. Notwithstanding anything to the contrary in the Legislature Act, 1908, the seat of a member of the Legislative Council or of the House of Representatives shall not become vacant, nor shall  
20 any person be incapable of appointment or election to the Legislative Council or of election to the House of Representatives, by reason of his appointment as a member of the Board of Health under the Health Act, 1920:

Members of Legislature may be appointed members of Board of Health.

25 Provided that no person, being a member of either House of Parliament, shall be entitled to receive any payment in respect of his services as a member of the Board of Health, other than travelling-expenses as provided for in section eight of the Health Act, 1920.

##### *Banking.*

30 13. Section forty-six of the Finance Act, 1916, is hereby amended by omitting from subsection one and also from subsection two the word "bank," and in each case substituting the word "person."

Section 46 of Finance Act, 1916 (relating to restrictions on carrying-on of banking), amended.