

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

*House of Representatives,
19th July, 1940.*

Hon. Mr. Nash

FINANCE

ANALYSIS

Title.		
1. Short Title.	13. Exempting Canadian High Commissioner and his staff from taxation.	
PART I.		
PUBLIC REVENUES AND LOANS.		
2. Increasing borrowing-powers in respect of war expenses.	14. Increasing stamp allowance to members of Parliament.	
3. Empowering Minister of Finance to borrow £5,500,000 for certain public works.	15. Empowering Minister of Finance to acquire shares in New Zealand Woolpack and Textiles, Ltd.	
4. Empowering Minister of Finance to borrow £2,500,000 for construction of main highways.	PART II.	
5. Empowering Minister of Finance to borrow £7,000,000 for purposes of Housing Act, 1919.	NATIONAL SECURITY TAX.	
6. Empowering Minister of Finance to borrow £2,000,000 for electric-power works.	16. National Security Tax.	
7. Empowering Minister of Finance to borrow additional £1,000,000 for purposes of Forests Act, 1921-22.	17. National Security Tax to be assessed and collected with Social Security Charge.	
8. Additional revenue to be paid into War Expenses Account. Repeal.	18. Commencement of liability for National Security Tax.	
9. Validating excess unauthorized expenditure.	19. Non-resident companies.	
10. Authorizing payment of additional subsidies from Consolidated Fund into several Superannuation Funds. Repeal.	PART III.	
11. Salaries of certain members of War Cabinet.	SALES TAX.	
12. Contributions by Ministers to salary pool to be deductible for income-tax purposes.	20. This Part to be read with Sales Tax Act, 1932-33.	
	21. Application of this Part.	
	22. Increasing rate of sales tax.	
	23. Reducing discount for prompt payment.	
	PART IV.	
	DEATH DUTIES.	
	24. This Part to be read with Death Duties Act, 1921.	
	25. Application of this Part.	
	26. Rates of estate duty. Repeals.	
	27. Rates of succession duty. Repeal.	

28. Rates of gift duty. Repeal.	33. Disqualification provisions not to apply to allowances to members of Parliament attending Select Committees.
29. Abolishing exemption of charitable gifts from death duties and gift duty.	34. Preserving superannuation rights of the Hon. Arthur Tyndall, Judge of the Court of Arbitration.
30. Exempting gifts to Government for war purposes from death duties and gift duty.	35. Authorizing expenditure of public moneys for protection of buildings on certain leasehold lands.
PART V.	
MISCELLANEOUS.	
31. Leave of absence on pay to employees of Electric-power Boards on active service.	36. Power to postpone quinquennial census. Repeal.
32. Retrospective operation of regulations as to payment of Transport Licensing Authorities.	37. As to allotment by unmarried soldier to his widowed mother. Schedules.

A BILL INTITULED

Title. AN ACT to make Provision with respect to Public Finance and other Matters.

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

Short Title. **1. This Act may be cited as the Finance Act, 1940.**

PART I.

PUBLIC REVENUES AND LOANS.

Increasing borrowing-powers in respect of war expenses. 1939, No. 29

2. Section three of the War Expenses Act, 1939, is hereby amended by omitting from subsection one the words "ten million pounds", and substituting the words "forty million pounds". 10

Empowering Minister of Finance to borrow £5,500,000 for certain public works.

3. (1) The Minister of Finance is hereby empowered to borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of five million five hundred thousand pounds. 15

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes. 20

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Public Account to the credit of the General

Purposes Account of the Public Works Fund, and shall from time to time be applied, in such amounts as may from time to time be appropriated by Parliament, for the following purposes, namely :—

- 5 (a) The construction of railways and additions to open lines :
- (b) Additional rolling-stock for open lines, and such other works and purposes in connection therewith as may be authorized :
- 10 (c) Telegraph extension :
- (d) The construction and improvement of roads, tracks, and bridges for the purpose of providing and improving means of access to any lands, developing goldfields, and such other works and purposes in connection therewith as may be authorized :
- 15 (e) The construction of irrigation works :
- (f) The erection of public buildings, including schools :
- 20 (g) Other public works, including administrative charges in respect of any public works of the classes referred to in this section.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

4. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the construction of main highways, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of two million
35 five hundred thousand pounds.

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into
40 the Public Account to the credit of the Main Highways Account established under section thirteen of the Main Highways Act, 1922.

1932, No. 23

Empowering
Minister of
Finance
to borrow
£2,500,000 for
construction
of main
highways.

See Reprint
of Statutes,
Vol. III, p. 698

- 1932, No. 23
- Empowering Minister of Finance to borrow £7,000,000 for purposes of Housing Act, 1919. See Reprint of Statutes, Vol. III, p. 798
- (4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly. 5
5. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow under the Housing Act, 1919, for any of the purposes of that Act, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of seven million pounds. 10
- (2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes. 15
- (3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Housing Account established under section seventeen of the State Advances Corporation Act, 1936. 20
- 1936, No. 12
- 1932, No. 23
- Empowering Minister of Finance to borrow £2,000,000 for electric-power works. See Reprint of Statutes, Vol. III, p. 89
- (4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly. 25
6. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the State Supply of Electrical Energy Act, 1917, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of two million pounds. 30
- (2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.
- (3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the Public Account to the credit of the Electric Supply Account established under section eight of the State Supply of Electrical Energy Act, 1917. 35
- (4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly. 40
- 1932, No. 23

7. (1) In addition to all moneys which the Minister of Finance has heretofore been authorized to borrow for the purposes of the Forests Act, 1921-22, the said Minister may for those purposes borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as he thinks fit, not exceeding in the aggregate the sum of one million pounds.

Empowering Minister of Finance to borrow additional £1,000,000 for purposes of Forests Act, 1921-22.

See Reprint of Statutes, Vol. III, p. 425

(2) The sums so borrowed shall bear interest at such rate as the Minister of Finance prescribes.

(3) All moneys borrowed under the authority of this section shall, as and when borrowed, be paid into the State Forests Account established under section thirty-six of the Forests Act, 1921-22.

(4) This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed shall be borrowed under and subject to the provisions of that Act accordingly.

1932, No. 23

8. (1) In addition to all other moneys payable into the War Expenses Account established under section two of the War Expenses Act, 1939, the following moneys shall, without further authority than this section, be credited to that account:—

Additional revenue to be paid into War Expenses Account. 1939, No. 29

(a) The revenue from time to time received from the National Security Tax imposed by Part II of this Act:

(b) One-half of the revenue from time to time received from all sales tax to which Part III of this Act applies:

(c) The revenue received from death duties or gift duty at any time after the thirty-first day of March, nineteen hundred and forty, whether before or after the passing of this Act:

(d) Three twenty-thirds of the revenue received from income-tax at any time during the financial year ending on the thirty-first day of March, nineteen hundred and forty-one, whether before or after the passing of this Act.

(2) Section two of the War Expenses Act, 1939, is hereby amended by repealing paragraph (a) of subsection four.

Repeal.

Validating
excess
unauthorized
expenditure.
See Reprint
of Statutes,
Vol. VII, p. 32

Authorizing
payment of
additional
subsidies from
Consolidated
Fund into
several
Superannuation
Funds.

Repeal.
1939, No. 38

Salaries of
certain
members of
War Cabinet.

See Reprint
of Statutes,
Vol. I, p. 1020

1933, No. 41

Contributions
by Ministers to
salary pool to
be deductible
for income-tax
purposes.
See Reprint
of Statutes,
Vol. VII, p. 304;
Vol. I, p. 1022

9. All sums issued under section fifty-eight of the Public Revenues Act, 1926, during the financial year ended on the thirty-first day of March, nineteen hundred and forty, in excess of the limits prescribed by subsection three of that section are hereby declared to have been lawfully issued and paid. 5

10. (1) During the financial year ending on the thirty-first day of March, nineteen hundred and forty-one, there shall, without further appropriation than this section, be paid out of the Consolidated Fund into the Public Service Superannuation Fund, the Teachers' Superannuation Fund, and the Government Railways Superannuation Fund respectively such amounts, not exceeding in the aggregate the sum of two hundred thousand pounds, as the Minister of Finance may from time to time direct. 10 15

(2) The amounts payable under this section are in addition to any other moneys payable out of the Consolidated Fund into any of the said funds.

(3) Section four of the Finance Act (No. 2), 1939, is hereby repealed. 20

11. (1) There shall be paid in each year out of the Consolidated Fund to every member of the Executive Council who is a member of the War Cabinet and does not hold any of the Ministerial offices mentioned in Part I of the Third Schedule to the Civil List Act, 1920, a salary at the rate of one thousand one hundred and seventy pounds per annum. 25

(2) No payment under section ten or section seventeen of the Civil List Act, 1920, or section fourteen of the Finance Act, 1933 (No. 2), shall be made to any person for any period during which he is in receipt of a salary under this section. 30

12. (1) For the purpose of calculating in accordance with section eighty of the Land and Income Tax Act, 1923, the assessable income of any Minister of the Crown who has contributed any portion of the salary paid to him in any year under section ten of the Civil List Act, 1920, to any common fund established for the purposes of any scheme for augmenting the salaries 35 40

of members of the General Assembly or of any class of such members, the portion of the salary so contributed shall be deemed to be an expense exclusively incurred in the production of that salary.

5 (2) The amount by which the salary of any member of the General Assembly is augmented pursuant to any such scheme shall be deemed to be income derived by that member for the purposes of the Land and Income Tax Act, 1923, but shall not be
10 deemed to be salary, wages, or other income derived by him for the purposes of Part IV of the Social Security Act, 1938. 1938, No. 7

(3) This section shall apply with respect to the income-tax, Social Security Charge, and National
15 Security Tax for the year of assessment that commenced on the first day of April, nineteen hundred and forty, and for every subsequent year.

13. (1) Notwithstanding anything to the contrary in any Act, the person for the time being holding office
20 as the High Commissioner in New Zealand for His Majesty's Government in the Dominion of Canada, and every member of his official staff who is certified by the High Commissioner to be resident in New Zealand
25 solely for the purpose of performing his official duties shall be wholly exempt from liability to pay land-tax, income-tax, Social Security Contribution, Customs duties, or sales tax, or any other form of public taxation that may from time to time be specified in that behalf by the Minister of Finance.

Exempting
Canadian
High
Commissioner
and his staff
from taxation.

30 (2) If any question arises as to the extent of the exemption conferred by this section it shall be determined by the Minister of Finance, and his decision shall be final.

(3) This section shall be deemed to have come into
35 force on the first day of March, nineteen hundred and forty.

Increasing stamp allowance to members of Parliament.
See Reprint of Statutes, Vol. VII, p. 69

14. (1) Section one hundred and fifty-one of the Public Revenues Act, 1926, is hereby amended by omitting from subsection one the words "two pounds", and substituting the words "three pounds".

(2) This section shall be deemed to have come into force on the first day of October, nineteen hundred and thirty-nine. 5

Empowering Minister of Finance to acquire shares in New Zealand Woolpack and Textiles, Ltd.

15. (1) The Minister of Finance may from time to time, on behalf of His Majesty, subscribe for or otherwise acquire shares in the company called New Zealand Woolpack and Textiles, Limited. 10

(2) The Minister of Finance may from time to time borrow, on the security of and charged upon the public revenues of New Zealand, such sums of money as may be required for the acquisition by him of any such shares. The sums so borrowed shall bear interest at such rate as the Minister prescribes. This section shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1932, and the moneys hereby authorized to be borrowed may be borrowed under and subject to the provisions of that Act accordingly. 15 20

1932, No. 23

(3) Without affecting the authority conferred by the *last preceding* subsection, any payment required to be made by the Minister of Finance in respect of the acquisition of any such shares may be made without further authority than this section out of any balances in the Public Account, and payments so made shall be regarded as investments of such balances made under section thirty-nine of the Public Revenues Act, 1926. 25 30

See Reprint of Statutes, Vol. VII, p. 22

PART II.

NATIONAL SECURITY TAX.

National Security Tax.

16. (1) There shall be levied and paid in accordance with this Part of this Act a special tax, to be known as the National Security Tax. 35

(2) Subject to the provisions of this Part of this Act, the National Security Tax shall consist of a charge on salaries, wages, and other income at the rate of

one penny for every sum of one shilling and eightpence or part thereof included in every amount in respect of which the tax is payable.

17. (1) National Security Tax shall be assessed,
 5 collected, and recovered in respect of the same persons, companies, and public authorities and the same income and in the same manner, and shall be payable at the same times, as the charge imposed on salaries, wages, and other income by the Social Security Act, 1938
 10 (hereinafter in this Part of this Act referred to as the Social Security Charge).

National Security Tax to be assessed and collected with Social Security Charge.

1938, No. 7

(2) Subject to any special provisions in this Part of this Act, the Social Security Charge and the National Security Tax shall be deemed to be a combined charge
 15 at the rate of one penny for every sum of tenpence or part thereof included in every amount in respect of which the combined charge is payable, and all the provisions of the Social Security Act, 1938, and of the regulations under that Act shall, so far as they are
 20 applicable, apply accordingly as if the references therein to the Social Security Charge or to the rate thereof were references to the combined charge or to the rate thereof.

1938, No. 7

18. (1) The National Security Tax on salaries and
 25 wages shall be payable in accordance with this Part of this Act in respect of all salaries and wages derived in respect of any period after the twenty-first day of July, nineteen hundred and forty. For the purposes of this section the expression "salaries and wages"
 30 includes all income to which section one hundred and eighteen of the Social Security Act, 1938, applies.

Commencement of liability for National Security Tax.

(2) Subject to the *next succeeding* subsection, the National Security Tax on income other than salaries and wages shall be payable in accordance with this
 35 Part of this Act in respect of all income derived (or deemed by the Social Security Act, 1938, or by any regulations thereunder to have been derived) during the year ended on the thirty-first day of March, nineteen hundred and forty, or derived during any subsequent
 40 year.

(3) The liability of any person, company, or public authority to the National Security Tax in respect of income derived or deemed to have been derived during the year ended on the thirty-first day of March, nine-
 45 teen hundred and forty, shall be limited to an amount

equal to the amount of the instalments of Social Security Charge which become due and payable by that person, company, or public authority in respect of that income after the passing of this Act, or which but for any payment in advance would have become so due and payable. 5

Non-resident companies.

19. Every non-resident company to which section two of the Social Security Amendment Act, 1940, applies shall be liable for National Security Tax to the same extent as if the liability for Social Security Charge imposed by that section had extended to income derived by the company from New Zealand for the year ended on the thirty-first day of March, nineteen hundred and forty. 10

PART III. 15

SALES TAX.

This Part to be read with Sales Tax Act, 1932-33. 1932-33, No. 33.

20. (1) This Part of this Act shall be read together with and deemed part of the Sales Tax Act, 1932-33 (hereinafter in this Part referred to as the principal Act). 20

(2) This Part of this Act shall be deemed to have come into force on the twenty-eighth day of June, nineteen hundred and forty.

Application of this Part.

21. (1) This Part of this Act shall apply with respect to the sales tax on all goods which are at any time after the commencement of this Part of this Act sold in accordance with paragraph (a), or manufactured in accordance with paragraph (b), or imported in accordance with paragraph (c) of subsection one of section eleven of the principal Act. 25 30

(2) With respect to the sales tax on goods other than goods referred to in the *last preceding* subsection, the principal Act shall apply as if this Part of this Act had not been passed.

Increasing rate of sales tax.

22. Section eleven of the principal Act is hereby amended by omitting from subsection one the words "five per centum", and substituting the words "ten per centum". 35

Reducing discount for prompt payment.

23. Section twenty-one of the principal Act is hereby amended by omitting from paragraph (a) of subsection one the words "five per centum", and substituting the words "two and one-half per centum". 40

PART IV.

DEATH DUTIES.

24. This Part of this Act shall be read together with and deemed part of the Death Duties Act, 1921 (hereinafter in this Part referred to as the principal Act).
25. (1) This Part of this Act, so far as it relates to death duties, shall apply with respect to the estates of all persons dying after the thirtieth day of June, nineteen hundred and forty, and, so far as it relates to gift duty, shall apply with respect to all gifts made after that date.
- (2) With respect to estates and gifts other than those referred to in the *last preceding* subsection, the principal Act shall apply as if this Part of this Act had not been passed.
26. (1) The Schedule to the Finance Act, 1939, is hereby repealed, and the *First* Schedule to this Act is hereby substituted therefor.
- (2) Section twelve of the principal Act is hereby amended by omitting the words "one thousand pounds", and substituting the words "two hundred pounds".
- (3) Section twenty-three of the Finance Act, 1939, and Part III of the War Expenses Act, 1939, are hereby repealed.
27. (1) Except as otherwise provided in the principal Act, succession duty shall be payable on every succession, and shall be a percentage of the value of the succession, varying in manner provided in this section.
- (2) If the successor is the wife of the deceased (whether or not she is also a relative of the deceased by blood), succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Second* Schedule to this Act: Provided that the amount of succession duty payable on any such succession shall, where necessary, be reduced so as not to exceed the difference between the amount of estate duty payable in respect of that succession and fifty per centum of the value of the succession.

This Part to be read with Death Duties Act, 1921.

See Reprint of Statutes, Vol. VII, p. 354

Application of this Part.

Rates of estate duty. 1939, No. 3

See Reprint of Statutes, Vol. VII, p. 362

Repeals. 1939, No. 29

Rates of succession duty.

(3) If the successor is the husband of the deceased (whether or not he is also a relative of the deceased by blood), succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Third* Schedule to this Act: 5

Provided that the amount of succession duty payable on any such succession shall, where necessary, be reduced so as not to exceed the difference between the amount of estate duty payable in respect of that succession and fifty per centum of the value of the 10 succession.

(4) If the successor is a child, grandchild, or other lineal descendant of the deceased, succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Fourth* 15 Schedule to this Act:

Provided that the amount of succession duty payable on any such succession shall, where necessary, be reduced so as not to exceed the difference between the amount of estate duty payable in respect of that 20 succession and fifty per centum of the value of the succession:

Provided also that in any case where the successor is a child of the deceased and is under the age of twenty-one years at the death of the deceased no 25 succession duty shall be payable on any such succession if the value of the succession does not exceed one thousand pounds, and the succession duty payable on any such succession shall not in any such case exceed 30 the amount by which the value of the succession exceeds one thousand pounds.

(5) If the successor is the father or mother or the stepfather or stepmother of the deceased, or the brother or sister or the half-brother or half-sister of the 35 deceased, succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Fifth* Schedule to this Act:

Provided that the amount of succession duty payable on any such succession shall, where necessary, be 40 reduced so as not to exceed the difference between the amount of the estate duty payable in respect of that succession and fifty-five per centum of the value of the succession.

(6) If the successor is any other relative of the 45 deceased in any degree not more remote than the

fourth, succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Sixth* Schedule to this Act:

5 Provided that the amount of succession duty payable on any such succession shall, where necessary, be reduced so as not to exceed the difference between the amount of the estate duty payable in respect of that succession and fifty-five per centum of the value of the succession.

10 (7) In all other cases succession duty shall be charged and assessed in accordance with the graduated scale of percentages set out in the *Seventh* Schedule to this Act:

15 Provided that the amount of succession duty payable on any such succession shall, where necessary, be reduced so as not to exceed the difference between the amount of the estate duty payable in respect of that succession and sixty per centum of the value of the succession:

20 Provided also that where the value of the succession does not exceed one thousand pounds no succession duty shall be payable on any property left by the will of the deceased or otherwise acquired and held on any charitable trust in New Zealand.

25 (8) Where the value of any succession exceeds one thousand pounds and the successor is domiciled out of New Zealand and is not the wife or husband of the deceased or a relative of the deceased in any degree not more remote than the third, there shall be payable as
30 succession duty, in addition to the succession duty payable as aforesaid, an amount equal to ten per centum of the value of the succession, but not exceeding in any case the amount by which that value exceeds one thousand pounds.

35 (9) For the purposes of this section the amount of estate duty payable in respect of any succession shall be deemed to be the amount that bears to the total estate duty payable on the final balance of the estate the same proportion as the value of the
40 succession bears to the final balance.

(10) This section is in substitution for section twenty-six of the Finance Act, 1939, and that section is hereby accordingly repealed. Repeal.
1939, No. 3

45 **28.** (1) Section forty-six of the principal Act, as amended by section twenty-seven of the Finance Act, Rates of
gift duty.
1939, No. 3

1939, is hereby further amended by repealing paragraphs (b), (c), (d), and (e) of subsection one, and substituting the following paragraphs:—

“(b) Exceeds five hundred pounds but does not exceed one thousand pounds, the rate of gift duty shall be five per centum of the value of the gift: 5

“(c) Exceeds one thousand pounds but does not exceed five thousand pounds, the rate of gift duty shall be nine per centum of the value of the gift: 10

“(d) Exceeds five thousand pounds but does not exceed ten thousand pounds, the rate of gift duty shall be fifteen per centum of the value of the gift: 15

“(e) Exceeds ten thousand pounds but does not exceed twenty thousand pounds, the rate of gift duty shall be twenty per centum of the value of the gift:

“(f) Exceeds twenty thousand pounds, the rate of gift duty shall be twenty-five per centum of the value of the gift.” 20

Repeal.

(2) Section twenty-seven of the Finance Act, 1939, is hereby repealed.

Abolishing exemption of charitable gifts from death duties and gift duty. See Reprint of Statutes, Vol. VII, pp. 368, 396, 358

29. (1) Section eighteen of the principal Act, paragraph (a) of subsection one of section two of the Death Duties Amendment Act, 1923, and section eleven of the Finance Act, 1923, are hereby repealed. 25

(2) Notwithstanding the repeal of the said section eleven, the property comprised in any gift which at the time when it was made was exempt from gift duty on the ground that it created or was in aid of a charitable trust shall not be included in the final balance of the estate of the donor, notwithstanding that he may die or may have died within three years after having made the gift. 30 35

Exempting gifts to Government for war purposes from death duties and gift duty.

30. (1) Notwithstanding anything to the contrary in the principal Act,—

(a) No gift duty shall be payable in respect of a gift of any property to the Government for war purposes: 40

(b) The property comprised in any gift made to the Government for war purposes by or under the will of any deceased person shall not be included in the dutiable estate of the deceased: 45

(c) The property comprised in any gift which is exempted from gift duty by this subsection shall not be included in the dutiable estate of the donor, notwithstanding that he may die within three years after having made the gift.

(2) Notwithstanding anything to the contrary in section *twenty-five* of this Act, this section shall apply with respect to gifts made at any time before or after the passing of this Act and with respect to the estates of persons dying at any time before or after the passing of this Act.

PART V.

MISCELLANEOUS.

31. For the purposes of section forty-one of the Finance Act (No. 2), 1939, the term "local authority" shall be deemed to include and to have always included an Electric-power Board.

32. The Transport Licensing Passenger Regulations 1936, Amendment No. 2 (Serial number 1939/250), shall be deemed to have come into force on the first day of April, nineteen hundred and thirty-nine.

33. The provisions of the Electoral Act, 1927, as to the disqualification of members of Parliament or of candidates for election as members of Parliament shall not apply with respect to any payment that has been or may hereafter be received out of public moneys by any member of Parliament in respect of his attendance at meetings of any Select Committee appointed by the House of Representatives.

34. Whereas the Honourable Arthur Tyndall, Judge of the Court of Arbitration (hereinafter in this section referred to as the contributor), was at the time of his appointment as Judge of the said Court a contributor to the Public Service Superannuation Fund established under Part I of the Public Service Superannuation Act, 1927, and had then been a contributor to that Fund continuously since the first day of June, nineteen hundred and fifteen: And whereas the office of Judge of the Court of Arbitration is not an office to which

Leave of absence on pay to employees of Electric-power Boards on active service. 1939, No. 38

Retrospective operation of regulations as to payment of Transport Licensing Authorities.

Disqualification provisions not to apply to allowances to members of Parliament attending Select Committees.

See Reprint of Statutes, Vol. VI, p. 469

Preserving superannuation rights of the Hon. Arthur Tyndall, Judge of the Court of Arbitration. *Ibid.*, Vol. VII, p. 559

Part I of the Public Service Superannuation Act, 1927, is applicable, and it is desirable, for the purpose of preserving the superannuation rights of the contributor to the extent hereinafter provided for, that he should continue for the period hereinafter specified to be a contributor to the said Fund: And whereas it is desirable at the same time to remove any doubts that may exist as to the validity of his appointment as Judge of the Court of Arbitration: Be it therefore enacted as follows:—

(1) Notwithstanding that the provisions of Part I of the Public Service Superannuation Act, 1927, do not apply to any Judge of the Court of Arbitration, the contributor shall, during the period hereinafter specified, continue to be a contributor to the Public Service Superannuation Fund.

(2) The period referred to in the *last preceding* subsection means the period of six years ending on the eighth day of March, nineteen hundred and forty-six, if the contributor continues for so long to hold office as Judge of the Court of Arbitration, and, in any other event, means the period for which he continues to hold the said office.

(3) During the period aforesaid the rate of the salary of the contributor for the purposes of Part I of the Public Service Superannuation Act, 1927, shall be deemed to be the rate of the salary to which he was entitled immediately before his appointment as Judge of the Court of Arbitration.

(4) On the expiry of the period aforesaid the contributor shall, unless he has vacated his office by death or unless he is then appointed to an office in the Public Service to which Part I of the Public Service Superannuation Act, 1927, is applicable, be deemed for the purposes of the said Part I to have retired from the Public Service.

(5) If on the expiry of the said period the contributor becomes entitled, by virtue of section sixty-four of the Industrial Conciliation and Arbitration Act, 1925, to receive any superannuation allowance in respect of his office as Judge of the Court of Arbitration, the rate of the retiring-allowance payable to him from the Public Service Superannuation Fund shall be reduced by the rate of such superannuation allowance.

See Reprint
of Statutes,
Vol. III, p. 968

(6) Subject to the foregoing provisions of this section, all the provisions of the Public Service Superannuation Act, 1927, shall apply with respect to the contributor as if his office as Judge of the Court of Arbitration were an office to which the provisions of the said Part I were applicable.

(7) The appointment of the contributor on the ninth day of March, nineteen hundred and forty, as Judge of the Court of Arbitration is hereby declared to be and at all times since that date to have been valid and effectual.

35. (1) Section eleven of the Finance Act, 1933, shall extend and be deemed heretofore to have extended to authorize the expenditure of moneys with the approval of the Lands Development Board out of the Land for Settlements Account for the making of advances to lessees for the protection, preservation, and improvement of any buildings for the time being subject to the provisions of section sixty-one of the Land for Settlements Act, 1925.

Authorizing expenditure of public moneys for protection of buildings on certain leasehold lands. 1933, No. 33

(2) The authority conferred by this section shall extend and shall be deemed heretofore to have extended to authorize the expenditure of moneys with the approval of the Lands Development Board out of any appropriate fund or account in the Public Account for the making of advances to lessees for the protection, preservation, and improvement of buildings included in the capital value of any land for the time being leased under the provisions of the Land Act, 1924, the Land for Settlements Act, 1925, or the Discharged Soldiers Settlement Act, 1915.

See Reprint of Statutes, Vol. IV, p. 887

(3) All moneys advanced under the authority of this section in respect of any land shall bear interest at a rate to be determined by the Minister of Finance, and shall be secured by way of mortgage over that land or over the lessee's interest in the land.

Ibid., pp. 622, 862, 963

36. (1) The census which by section four of the Census and Statistics Act, 1926, is required to be taken in the year nineteen hundred and forty-one shall be taken in such year, not being earlier than the year nineteen hundred and forty-one or later than the year nineteen hundred and forty-five, as the Governor-General appoints by Proclamation, and the next census

Power to postpone quinquennial census. Ibid., Vol. I, p. 767

to be taken thereafter in accordance with that section shall be taken in the year nineteen hundred and forty-six.

Repeal.
See Reprint
of Statutes,
Vol. I, p. 772

As to
allotment by
unmarried
soldier to his
widowed
mother.

1938, No. 7

(2) The Census Postponement Act, 1930, is hereby repealed.

37. Where the widowed mother of any member of His Majesty's Naval, Military, or Air Forces who for the time being is not married receives pursuant to an allotment made by him a part of the pay and allowances earned by him as such member being in excess of two shillings a day the amount of that excess shall not be deemed to be part of the income of the mother for the purposes of Part II of the Social Security Act, 1938.

5

10

Schedules.

SCHEDULES.

Section 26

FIRST SCHEDULE.

SCALE OF RATES OF ESTATE DUTY.

Final Balance of Estate.		Rate per Cent.
£	£	
Exceeding 200 but not exceeding 500	500	1.
„ 500 „ 5,000	5,000	1 per cent., plus an additional 1 per cent. for every £500 or fraction thereof by which the final balance exceeds £500.
„ 5,000 „ 6,000	6,000	11.
„ 6,000 „ 7,000	7,000	12.
„ 7,000 „ 31,000	31,000	12 per cent., plus an additional $\frac{1}{2}$ per cent. for every £1,000 or fraction thereof by which the final balance exceeds £7,000.
„ 31,000 „ 70,000	70,000	24 per cent., plus an additional $\frac{1}{3}$ per cent. for every £1,000 or fraction thereof by which the final balance exceeds £31,000.
„ 70,000 „ 100,000	100,000	37 per cent., plus an additional $\frac{1}{10}$ per cent. for every £1,000 or fraction thereof by which the final balance exceeds £70,000.
„ 100,000	40 per cent.

Section 27 (2) **SECOND SCHEDULE.****SCALE OF RATES OF SUCCESSION DUTY FOR WIFE.**

Value of Succession.		Rate per Cent.
Exceeding	£ 5,000 but not exceeding £ 6,000	2 per cent. of the amount by which the value of the succession exceeds £5,000.
"	6,000 " 10,000	2 per cent. of the amount by which the value of the succession exceeds £5,000, plus an additional $\frac{1}{3}$ per cent. of the same amount for every £1,000 or fraction thereof by which the value of the succession exceeds £6,000.
"	10,000 " 21,000	$3\frac{1}{3}$ per cent., plus an additional $\frac{1}{3}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £10,000.
"	21,000 " 31,000	7 per cent., plus an additional $\frac{1}{5}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £21,000.
"	31,000 " 70,000	9 per cent., plus an additional $\frac{1}{10}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £31,000.
"	70,000	$12\frac{9}{10}$ per cent.

Section 27 (3) **THIRD SCHEDULE.****SCALE OF RATES OF SUCCESSION DUTY FOR HUSBAND.**

Value of Succession.		Rate per Cent.
Exceeding	£ 500 but not exceeding £ 2,000	2.
"	2,000 " 3,000	3.
"	3,000 " 4,000	4.
"	4,000 " 5,000	5.
"	5,000 " 6,000	6.
"	6,000 " 59,000	6 per cent., plus an additional $\frac{1}{5}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £6,000.
"	59,000	$16\frac{3}{5}$ per cent.

FOURTH SCHEDULE. Section 27 (4)

SCALE OF RATES OF SUCCESSION DUTY FOR CHILDREN, ETC.

Value of Succession.			Rate per Cent.
	£	£	
Exceeding	500 but not exceeding	1,000	1.
"	1,000	2,000	2.
"	2,000	3,000	2½.
"	3,000	4,000	3.
"	4,000	5,000	4.
"	5,000	6,000	5.
"	6,000	61,000	5 per cent., plus an additional ½ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £6,000.
"	61,000	16 per cent.

FIFTH SCHEDULE. Section 27 (5)

**SCALE OF RATES OF SUCCESSION DUTY FOR PARENTS, BROTHERS,
AND SISTERS, ETC.**

Value of Succession.			Rate per Cent.
	£	£	
Exceeding	200 but not exceeding	500	3.
"	500	1,000	3½.
"	1,000	2,000	4.
"	2,000	7,000	4 per cent., plus an additional 1 per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £2,000.
"	7,000	21,000	9 per cent., plus an additional ½ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £7,000.
"	21,000	31,000	16 per cent., plus an additional ½ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £21,000.
"	31,000	61,000	18 per cent., plus an additional ⅓ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £31,000.
"	61,000	21 per cent.

Section 27 (6)

SIXTH SCHEDULE.

SCALE OF RATES OF SUCCESSION DUTY FOR OTHER RELATIVES.

Value of Succession.			Rate per Cent.
	£	£	
Exceeding	200 but not exceeding	500	6.
"	500	1,000	7.
"	1,000	2,000	8.
"	2,000	3,000	8½.
"	3,000	4,000	9.
"	4,000	11,000	9 per cent., plus an additional 1 per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £4,000.
"	11,000	31,000	16 per cent., plus an additional $\frac{1}{5}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £11,000.
"	31,000	57,000	20 per cent., plus an additional $\frac{1}{10}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £31,000.
"	57,000	22 $\frac{3}{8}$ per cent.

Section 27 (7)

SEVENTH SCHEDULE.

SCALE OF RATES OF SUCCESSION DUTY IN OTHER CASES.

Value of Succession.			Rate per Cent.
	£	£	
Exceeding	200 but not exceeding	500	10.
"	500	1,000	17.
"	1,000	16,000	17 per cent., plus an additional $\frac{3}{8}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £1,000.
"	16,000	25,000	27 per cent., plus an additional $\frac{1}{3}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £16,000.
"	25,000	43,000	30 per cent., plus an additional $\frac{1}{10}$ per cent. for every £1,000 or fraction thereof by which the value of the succession exceeds £25,000.
"	43,000	31 $\frac{9}{10}$ per cent.