

FINANCE BILL

EXPLANATORY NOTE

Clause 1 sets out the Short Title to the Bill.

Clause 2 relates to Budget proposals and makes provision for the issue of Special Development Bonds on the terms specified in the clause. Provision for deductions in respect of amounts invested in the Bonds for the purpose of assessing ordinary income tax is made by the Land and Income Tax Amendment Bill.

Hon. Mr Muldoon

FINANCE

ANALYSIS

Title
1. Short Title

| 2. Special Development Bonds
Schedule

A BILL INTITULED

An Act to make provision with respect to public finance and other matters

5 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**—This Act may be cited as the Finance Act 1967.

10 2. **Special Development Bonds**—(1) The Minister of Finance may from time to time, during such period or periods as he thinks fit, issue securities in respect of money borrowed under Part I or Part II of the New Zealand Loans Act 1953, to be known as Special Development Bonds, upon terms that—

15 (a) For the purpose of assessing ordinary income tax, deductions in respect of amounts invested in the Bonds shall be allowed to the extent specified in the Land and Income Tax Amendment Act 1967:

20 (b) No interest shall be payable in respect of money borrowed on the security of the Bonds:

(c) Every Bond shall be redeemable at par in New Zealand, after the expiration of six years from the date as at which it was issued, upon presentation and surrender of the Bond by the person named in the Bond or by the administrator or Assignee of his estate in the event of his death or bankruptcy: 5

Provided that a bond shall be sooner redeemable upon presentation and surrender of the Bond by the administrator or Assignee, at the discount rate shown in the Schedule to this Act, in the event of the death or bankruptcy of the person to whom the Bond was issued. 10

(2) Special Development Bonds shall be issued in the form prescribed by the Minister of Finance, and shall not be transferable. 15

(3) No Special Development Bond shall be issued for any amount except ten dollars or a multiple of ten dollars.

(4) Special Development Bonds shall not be issued to any company or corporation or to any person in a fiduciary capacity. 20

(5) The maximum amount for which Special Development Bonds may be issued to any person in any year ending with the thirty-first day of March shall be two thousand dollars.

(6) Nothing in Parts III, IV, and V, and section 63 of the New Zealand Loans Act 1953 shall apply to any Special Development Bond. 25

(7) Section 70 of the New Zealand Loans Act 1953 shall apply to every Special Development Bond as if it were a stock certificate.

Section 2 (1) (c)

SCHEDULE

DISCOUNT ON REPAYMENT OF SPECIAL DEVELOPMENT BONDS

Length of Period Between Purchase of Bond and Repayment	Rate of Discount per \$100 Repayable under Bonds \$
Not exceeding 6 months	29.50
Exceeding 6 months and not exceeding 1 year	29.00
Exceeding 1 year and not exceeding 2 years	28.00
Exceeding 2 years and not exceeding 3 years	25.50
Exceeding 3 years and not exceeding 4 years	23.00
Exceeding 4 years and not exceeding 5 years	18.00
Exceeding 5 years and not exceeding 6 years	10.00

In the case of repayment of parts of \$100 the amount of discount will be apportioned.