

Hon. Mr. Downie Stewart.

LAND AND INCOME TAX AMENDMENT.

ANALYSIS.

Title.	6. For purpose of computing amount of any special exemption or the rate of tax payable by any taxpayer his non-assessable income from certain sources to be taken into account.
1. Short Title.	7. Amending provisions as to assessment of gold-mining and scheelite-mining companies.
2. Repeal. Consequential repeal.	8. Provision for extension of time for payment of land-tax or income-tax where extension rendered necessary by Hawke's Bay earthquake.
3. Amending provisions of principal Act as to special exemption for purposes of income-tax. Repeal.	
4. Amending provisions as to payment of income-tax by farmers.	
5. Repeal. Consequential repeals.	

A BILL INTITULED

AN ACT to amend the Land and Income Tax Act, 1923.

Title.

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

1. This Act may be cited as the Land and Income Tax Amendment Act, 1931, and shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter referred to as the principal Act). Short Title.

2. (1) Section fifty-two of the principal Act (relating to the liability of lessees for land-tax) is hereby repealed. Repeal.

(2) Section fifty-three of the principal Act is hereby amended by repealing subsection two thereof. Consequential repeal.

3. (1) Subsection one of section seventy-four of the principal Act (as set forth in section two of the Land and Income Tax Amendment Act, 1927) is hereby repealed, and the following subsection substituted therefor :— Amending provisions of principal Act as to special exemption for purposes of income-tax.

“(1) From the yearly assessable income of every person, other than a company or an absentee, there shall, for the purpose of assessing income-tax on that income, be deducted by way of special exemption the sum of two hundred and sixty pounds, diminished at the rate of one pound for every three pounds of the excess of that income over two hundred and sixty pounds and not over five hundred and sixty pounds, and further diminished at the rate of one pound for every thirty shillings of the excess of that income over five hundred and sixty pounds, so as to leave no deduction under this section when the yearly assessable income amounts to or exceeds eight hundred pounds.”

- Repeal. (2) Section two of the Land and Income Tax Amendment Act, 1927, is hereby repealed.
- Amending provisions as to payment of income-tax by farmers. 4. Section four of the Land and Income Tax Amendment Act, 1930, is hereby amended, as from the *first* day of April, nineteen hundred and thirty-two, by omitting from paragraph (a) of subsection one the words "seven thousand five hundred pounds" and substituting the words "three thousand pounds". 5
- Repeal 5. (1) Section eighty-three of the principal Act (prescribing a special exemption in respect of income derived from the use of land) is hereby repealed. 10
- Consequential repeals. (2) The following enactments are hereby consequentially repealed, namely:—
- (a) Section six of the Land and Income Tax Amendment Act, 1926: 15
- (b) Section eight of the Land and Income Tax Amendment Act, 1930. 15
- For purpose of computing amount of any special exemption or the rate of tax payable by any taxpayer his non-assessable income from certain sources to be taken into account. 6. (1) Where in any income-year any taxpayer has derived assessable income and has also derived any non-assessable income from a source referred to in the *next succeeding* subsection, then, notwithstanding anything to the contrary in the principal Act or in the annual taxing Act, the amount of the special exemption (if any) to which he may be entitled under section seventy-four of the principal Act and the rate of income-tax payable on his taxable income shall be computed as if the non-assessable income derived by him as aforesaid were assessable income. 20
- (2) The non-assessable income referred to in the *last preceding* subsection includes the following:— 25
- (a) Income derived from securities issued by the Government of New Zealand subject to the condition that the income derived therefrom shall be exempt from income-tax:
- (b) Income derived from debentures issued by companies on terms providing for the payment of income-tax by such companies, as provided by section one hundred and seventy-one of the principal Act: 30
- (c) Dividends or other profits derived from shares or other rights of membership in companies. 35
- Amending provisions as to assessment of gold-mining and scheelite-mining companies. 7. Section ninety-seven of the principal Act is hereby amended by inserting after the words "shareholders of the company" in subsection one the words "if the aggregate amount of the dividends paid since the commencement of business by the company does not exceed twice the amount of the capital paid-up in cash, and in every other case shall be deemed to be the total sum paid as dividends during that year". 40
- Provision for extension of time for payment of land-tax or income-tax where extension rendered necessary by Hawke's Bay earthquake. 8. If the Commissioner is satisfied with respect to any land-tax or income-tax for the year ended the thirty-first day of March, nineteen hundred and thirty-one, that payment of that tax on or within twenty-one days after the due date was rendered impossible or would have been a cause of undue hardship to the taxpayer by reason of conditions arising from the Hawke's Bay earthquake of the third day of February, nineteen hundred and thirty-one, he shall have and be deemed at all times heretofore to have had authority to grant such further time for the payment of such tax, not exceeding *two* years after the due date of such tax, as he may deem necessary, and in any such case the additional tax prescribed by section one hundred and thirty-five of the principal Act shall not be payable in respect of any tax paid within the time as so extended. 50 55