

Words struck out by the Committee are shown in italics within bold round brackets: words inserted are shown in roman underlined with a double rule.

*Hon. Mr Nordmeyer*

## LAND AND INCOME TAX AMENDMENT

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### A BILL INTITULED

#### An Act to amend the Land and Income Tax Act 1954

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

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**1. Short Title**—This Act may be cited as the Land and Income Tax Amendment Act 1960, and shall be read together with and deemed part of the Land and Income Tax Act 1954\* (hereinafter referred to as the principal Act).

### PART I

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#### OBJECTIONS TO ASSESSMENTS

**2. New Part III substituted in principal Act**—(1) The principal Act is hereby amended by repealing Part III, and substituting the following Part:

### “PART III

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#### “OBJECTIONS TO ASSESSMENTS

**“29. Objections to assessments, how originated**—(1) Any person who has been assessed for land tax or income tax may object to that assessment by delivering or posting to the Commissioner a written notice of objection stating shortly the

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grounds of his objection, within such time as may be specified in that behalf in the notice of assessment, not being less than fourteen days after the date on which that notice of assessment is given:

5     “Provided that, where the assessment is an amended assessment, the person so assessed shall have no further right of objection than he would have had if the amendment had not been made, except to the extent to which by reason of the  
10 imposed on him or an existing liability in respect of any particular is increased.

15     “(2) No notice of objection given after the time specified in the notice of assessment shall be of any force or effect unless the Commissioner in his discretion accepts the same and gives notice to the objector accordingly.

**“30. Commissioner may amend assessment, or objections may be submitted to Board of Review—**(1) The Commissioner shall consider all such objections, and may alter the assessment pursuant thereto.

20     “(2) If an objection is not wholly allowed by the Commissioner, the objector may, within two months after the date on which notice of the disallowance is given to him by or on behalf of the Commissioner, by notice in writing to the Commissioner require that the objection be heard and determined  
25 by a Board of Review, and in that event the objection shall be heard and determined by a Board, and the provisions of the Inland Revenue Department Amendment Act 1960 shall apply in respect of the institution, hearing, and determination of the proceedings on the objection.

30     “(3) If the Commissioner, after considering the objection, has allowed the objection in part and has reduced the assessment, the reduced assessment shall be the assessment to be dealt with by the Board.

35     **“31. Board may confirm, cancel, or alter assessment—**On the determination of any objection the Board may either confirm or cancel the assessment, or increase or reduce the amount thereof, and the assessment shall be altered by the Commissioner, if necessary, so as to conform to that determination.

**“32. When objection may be referred in first instance to Supreme Court—**(1) Notwithstanding anything in the foregoing provisions of this Part of this Act, where—

“(a) An objection to an assessment is made in accordance with the provisions of subsection (1) of section 29 of this Act or accepted by the Commissioner under subsection (2) of that section; and 5

“(b) The objection is not wholly allowed by the Commissioner; and

“(c) The objection is one to which subsection (2) or subsection (3) of this section applies,— 10

the objection may be referred directly to the Supreme Court by way of case stated in accordance with the following provisions of this section.

“(2) Where an objection relates to a question of law only,— 15

“(a) The objector may, within two months after the date on which notice of the disallowance is given to him by or on behalf of the Commissioner, by notice in writing to the Commissioner require the Commissioner to state a case for the opinion of the Supreme Court, and shall specify in the notice the registry of that Court in which he requires the case to be filed: 20

“(b) The Commissioner, in any case where under section 30 of this Act the objector has required the objection to be heard and determined by a Board of Review, may in his discretion, instead of referring the objection to a Board of Review, state a case for the opinion of the Supreme Court. 25 30

“(3) Where an objection relates to a question of fact (whether or not it also relates to a question of law),—

“(a) The objector may, within two months after the date on which notice of the disallowance is given to him by or on behalf of the Commissioner, give notice in writing to the Commissioner that he desires the Commissioner to state a case for the opinion of the Supreme Court, specifying in the notice the registry of that Court in which he desires the case to be filed; or 35 40

“(b) The Commissioner may, in any case where the objector has under section 30 of this Act required the objection to be heard and determined by a Board of Review, notify the objector that he desires the objection to be referred directly to the Supreme Court. 45

“(4) Where any notice is given by the objector or the Commissioner under subsection (3) of this section, the objection shall be referred directly to the Supreme Court if both the Commissioner and the objector consent thereto, or with  
5 the leave of that Court granted on the application of the objector or the Commissioner, as the case may be, upon the ground that in the opinion of the Court, by reason of the amount of the tax in dispute between the parties or of the general or public importance of the matter or of its extra-  
10 ordinary difficulty or for any other reason, it is desirable that the objection be heard and determined by the Supreme Court instead of by a Board of Review.

“(5) Where under the foregoing provisions of this section an objection is to be referred directly to the Supreme Court,  
15 the Commissioner shall state and sign a case for the opinion of the Supreme Court accordingly,—

“(a) In the case of an objection on a question of law only, setting forth the assessment made by him, the grounds of objection to the assessment, the facts,  
20 and the questions of law arising for the determination of the Court:

“(b) In the case of an objection relating to a question of fact or to a question of fact and also a question of law, setting forth the assessment made by the  
25 Commissioner, the grounds of objection to the assessment, the facts as alleged by the Commissioner, and the questions arising for the determination of the Court.

“(6) The case so stated and signed by the Commissioner shall be filed by him—

“(a) In the registry of the Supreme Court specified by the objector in the notice under paragraph (a) of subsection (2) or paragraph (a) of subsection (3) of this section where such a notice has been given  
35 by the objector; or

“(b) In such registry of the Supreme Court as the Commissioner thinks fit in any other case, having due regard to the convenience of the objector.

“(7) A copy of the case so filed shall be served by the Commissioner on the objector, either personally or by sending it to him by registered post addressed to him at his usual or last-known place of abode or business in New Zealand, in which case it shall be deemed to have been received when in the ordinary course of post it would be delivered. Service  
45 upon a solicitor who accepts service in writing on behalf of the objector shall be deemed for the purposes of this section to be personal service on the objector.

“(8) Within one month after the copy of the case (not being a case stated on a question of law only) is served on the objector, or within such further time as the Commissioner or the Supreme Court may allow, the objector may, if he thinks fit, file an answer to the case, setting forth the facts as alleged by the objector. The objector shall send a copy of his answer to the Commissioner, either by post or otherwise.

“(9) Neither the case as stated and filed by the Commissioner nor any answer filed by the objector shall be conclusive as to the matters set forth therein, either against the objector or the Commissioner, except so far as agreed to in writing by or on behalf of the Commissioner and the objector.

“(10) The provisions of subsection (2) of section 18 and of sections 19 and 20 of the Inland Revenue Department Amendment Act 1960, as far as they are applicable, shall apply to any such case stated by the Commissioner as if references in those provisions to a Board were references to the Supreme Court. Subject to those provisions, the procedure at the hearing before the Supreme Court of any such case stated shall be the same, with the necessary modifications, as if the case were an action in which the objector is the plaintiff and the Commissioner is the defendant.

“(11) On the determination of any case stated under this section, the Supreme Court may either confirm or cancel the assessment, or increase or reduce the amount thereof, and the assessment shall be altered by the Commissioner, if necessary, so as to conform to that determination.

“(12) Where any notice is given by the objector to the Commissioner under paragraph (a) of subsection (3) of this section and the Commissioner gives notice to the objector that he does not consent to the objection being referred directly to the Supreme Court under this section, then—

“(a) If within one month after the last-mentioned notice is given to him by the Commissioner no application is made by the objector to the Supreme Court for the leave of the Court to refer the objection directly to that Court; or

“(b) If on any such application the Supreme Court refuses to grant such leave,—

the first-mentioned notice shall have effect as if it were a notice requiring the objection to be heard and determined by a Board of Review, and the provisions of this Part of this Act shall apply accordingly.

“33. **Obligation to pay tax not suspended by objection or appeal**—The obligation to pay and the right to receive and recover any tax shall not be suspended by any objection, appeal, or case stated; but, if the objector succeeds, the  
5 amount (if any) of the tax received by the Commissioner in excess of the amount which, according to the decision on the hearing of the objection, appeal, or case stated, was properly payable shall forthwith be refunded to him by the Commissioner.

10 “34. **Determination of objection not to affect other land or income**—The determination of an objection under any of the foregoing provisions shall relate solely to the land or income which is the subject of the assessment objected to, and shall not affect the right of the Commissioner to assess any other  
15 land or income of the objector, or to amend the assessment objected to in any manner rendered necessary by the assessment of such other land or income.

“35. **Objections to which this Part does not apply**—Except so far as may be expressly provided to the contrary in this  
20 Act, the foregoing provisions as to objections shall not confer any right of objection with respect to—

25 “(a) Any decision or determination of the Commissioner made in exercise of any power or discretion conferred on him to enlarge or extend the time for giving any notice, making any application, furnishing any return, or doing any other act, matter, or thing; or

30 “(b) Any matter which is left to the discretion, judgment, opinion, approval, consent, or determination of the Minister of Finance or any act, matter, or thing done or omitted by the Minister under or pursuant to any of the provisions of this Act or of any regulations made under this Act; or

35 “(c) Any matter in respect of which provision is made by this Act or by any regulations made under this Act—

“*(i)* For an objection to be heard and determined by; or

40 “*(ii)* For the matter to be inquired into, considered, reported upon, heard, decided, determined, or otherwise dealt with by; or

“*(iii)* For the matter to be the subject of any recommendation of—  
any special committee, tribunal, or authority (other

than a Board) established in that behalf or any person or official (other than the Commissioner); or

- “(d) Any decision or determination of the Commissioner approving or not approving of any fund which, if approved by the Commissioner would be a super-annuation fund for the purposes of this Act, or which, if approved by the Commissioner, would be a sick, accident, or death-benefit fund for the purposes of section 86 of this Act; or
- “(e) Any valuation or apportionment made by the Valuer-General under the Valuation of Land Act 1951 or this Act; or
- “(f) Any matter which by any provision in section 70 or in Part II, Part VII, Part VII B, Part VIII, Part IX, Part X, or Part XI of this Act is left to the discretion, judgment, opinion, approval, consent, or determination of the Commissioner (*or arises out of the application or operation of any provision in the said section 70 or in any of those Parts*); or
- “(g) Any matter which by Part I, Part II, or Part III of the Income Tax Assessment Act 1957 or Part IV of the Social Security Act 1938 is left to the discretion, judgment, opinion, approval, consent, or determination of the Commissioner; or
- “(h) Any matter in respect of which it is expressly provided that there shall be no right of objection to the decision or determination of the Commissioner; or
- “(i) Any decision or determination of the Commissioner made under section 172M of this Act or to which section 68 of the Income Tax Assessment Act 1957 applies.”

(2) The enactments specified in the Schedule to this Act are hereby amended in the manner indicated in that Schedule.

**3. Objections to penal tax**—(1) The principal Act is hereby amended by repealing section 234, and substituting the following section:

“234. (1) Any assessment of penal tax shall be subject, in the same manner as any other assessment of tax, to objection on the ground that the person so assessed is not chargeable with penal tax, or on the ground that the amount so assessed is excessive having regard to the nature and degree of the offence or to the reason for the imposition of the penal tax, and notwithstanding that the amount so assessed is not in excess of treble the amount of the deficient tax:



“Provided that, where the person so assessed is chargeable with penal tax, the amount of penal tax assessed by the Commissioner shall not be reduced by a Board of Review or any Court below the smaller of the following amounts:

- 5 “(a) The amount of penal tax so assessed:
- “(b) An amount calculated, in respect of the period commencing with the last day of the year of assessment for which the deficient tax is payable and ending with the day on which the assessment of the penal tax is made by the Commissioner, at the rate of ten per cent per annum of the amount of the deficient tax.

10 “(2) Subject to the provisions of subsection (1) of this section, all the provisions of this Act as to objections shall apply to an objection to an assessment of penal tax, save that the burden of proving the offence in respect of which penal tax is chargeable shall lie upon the Commissioner.”

15 (2) Section 34 of the Income Tax Assessment Act 1957 is hereby amended by repealing subsection (4), and substituting the following subsection:

20 “(4) Subject to the provisions of this Act, the principal Act, as far as it is applicable and with the necessary modifications, shall apply with respect to all penal tax imposed under this section as if—

25 “(a) It were penal tax under section 231 of the principal Act; and

“(b) The person chargeable with the penal tax imposed under this section were the taxpayer; and

30 “(c) The deficient deduction were deficient tax payable for the same year of assessment as that in which the deficient deduction became due and payable to the Commissioner.”

(3) With respect to assessments of penal tax made on or after the eight day of September, nineteen hundred and 35 sixty, under section 152 of the Land and Income Tax Act 1923, but not with respect to any assessment of penal tax made under that section before that date, section 155 of the Land and Income Tax Act 1923 shall be deemed to have been repealed and replaced by a new section corresponding, 40 with the necessary modifications, to section 234 of the principal Act (as substituted by subsection (1) of this section).

(4) With respect to assessments of penal charge made on or after the eighth day of September, nineteen hundred and sixty, under section 121 of the Social Security Act 1938 or section 12 of the Finance Act (No. 2) 1946, but not with respect to any assessment of penal charge made under those sections before that date, subsection (4) of the said section 121 shall be deemed to have been amended by omitting the first sentence thereof and substituting a provision corresponding, with the necessary modifications, to subsection (1) of section 234 of the principal Act (as substituted by subsection (1) of this section). 5 10

**4. Application and savings**—(1) The provisions of sections 2 and 3 of this Act, in so far as they confer on any person any right of objection that would not have been so conferred if those sections had not been passed, shall apply only with respect to— 15

- (a) Land tax for the year of assessment commencing on the first day of April, nineteen hundred and sixty-one, and for every subsequent year; and
  - (b) Income tax on income derived in the income year that commenced on the first day of April, nineteen hundred and fifty-nine, and in every subsequent year; and 20
  - (c) Excess retention tax for the year of assessment that commenced on the first day of April, nineteen hundred and sixty; and 25
  - (d) Penal tax and penal charge assessed on and after the eighth day of September, nineteen hundred and sixty, under section 231 of the principal Act or section 34 of the Income Tax Assessment Act 1957, or the corresponding provisions of any former Act, or under section 121 of the Social Security Act 1938 or section 12 of the Finance Act (No. 2) 1946;— 30
- and shall not otherwise apply with respect to any tax assessed under the principal Act (including the Income Tax Assessment Act 1957) or any former Act or any penal charge assessed under section 121 of the Social Security Act 1938 or section 12 of the Finance Act (No. 2) 1946. 35

(2) Subject to subsection (1) of this section, sections 2 and 3 of this Act shall apply with respect to objections that are received by the Commissioner after the passing of this Act, whether the assessment objected to was made before or after the passing of this Act. 40

(3) Notwithstanding anything to the contrary in section 246 of the principal Act, all objections that are received by the Commissioner after the passing of this Act and, if this subsection had not been passed, would have remained subject to the provisions of Part III of the Land and Income Tax Act 1923 shall not remain subject to those provisions, and the provisions of Part III of the principal Act (as substituted by section 2 of this Act), as far as they are applicable and with the necessary modifications, but subject to subsection (1) of this section, shall apply with respect to every such objection, whether the assessment objected to was made before or after the passing of this Act.

(4) Nothing in the foregoing provisions of this section or in section 2 or section 3 of this Act shall affect any objection received by the Commissioner before the passing of this Act, and all such objections shall be dealt with and proceedings in respect thereof be instituted, heard, and determined, or continued as if subsections (1) to (3) of this section and sections 2 and 3 of this Act had not been passed; and for those purposes any enactment repealed or amended by section 2 or section 3 of this Act and all regulations in force at the passing of this Act and relating to such proceedings shall, notwithstanding any such repeal or amendment, be deemed to remain in full force and effect:

Provided that, where any objection has been received by the Commissioner in the period commencing with the eighth day of September, nineteen hundred and sixty, and ending with the day immediately preceding the date of the passing of this Act and the objection is not allowed by the Commissioner, the objector may, within two months after the date on which notice of the disallowance is given to him by or on behalf of the Commissioner, by notice in writing to the Commissioner require that the objection be heard and determined under any of the provisions of Part III of the principal Act (as substituted by section 2 of this Act), and in that event the objection shall, for the purposes of this subsection and of subsections (2) and (3) of this section be deemed to have been received by the Commissioner after the passing of this Act.

(5) Where the time for objecting to an assessment of tax has expired before the date of the passing of this Act or will expire before the expiration of one month after the date of the passing of this Act and, if sections 2 and 3 of this Act had been passed before the date on which notice of the assessment was

given to the person so assessed, that person would then, pursuant to subsection (1) of this section, have had a right of objection not then available to him, the date of the notice and the date on which the notice was given to him shall, for the purpose of enabling him to exercise any such right of objection, but not in respect of any other ground of objection, be deemed to be the date of the passing of this Act. 5

(6) Where an objection authorised pursuant to the provisions of subsection (5) of this section is received by the Commissioner and an objection on other grounds to the same assessment has also been received by the Commissioner, the second-mentioned objection shall be deemed to be amended to include the first-mentioned objection, and, where the second-mentioned objection has been received by the Commissioner before the date of the passing of this Act, it shall, for the purposes of subsections (2), (3), and (4) of this section, be deemed to have been received by the Commissioner after the passing of this Act. 10 15

(7) If any question is raised as to whether an objection is received by the Commissioner before or after the passing of this Act, that question shall be determined by the Commissioner, and his decision shall be final and conclusive. There shall be no right of objection to any determination of the Commissioner under this subsection. 20

(8) For the purposes of subsections (2) to (7) of this section, unless the context otherwise requires, the expression "objection" means an objection authorised by the principal Act (including the Income Tax Assessment Act 1957, except section 68, but excluding section 172M of the principal Act), the Land and Income Tax Act 1923, or Part IV of the Social Security Act 1938 (including section 12 of the Finance Act (No. 2) 1946), a written notice of which, in accordance with the enactment or enactments relating to the objection, is given to the Commissioner by delivering or posting the same to the Commissioner within the time specified in that behalf in the notice of the assessment objected to, or, if given after that time, is accepted by the Commissioner by notice given by the Commissioner to the objector accordingly. 25 30 35

(9) Nothing in the foregoing provisions of this section or in section 2 or section 3 of this Act shall apply in relation to any income tax in respect of which, pursuant to section 172A of the principal Act, the functions and powers of the Commissioner have ceased before the passing of this Act to be further exercisable by him and have become vested in and exercisable 40

by the Collector of Inland Revenue appointed under the Ordinance of the Legislative Assembly of the Cook Islands known as the Income Tax Ordinance 1956, and those functions and powers shall continue to be exercisable by the Collector  
5 as if subsections (1) to (8) of this section and sections 2 and 3 of this Act had not been passed.

**5. Board of Review to act in place of Transitional Income Tax Appeal Authority in certain cases**—(1) This section shall apply to any objection made under section 172M of the principal Act or section 68 of the Income Tax Assessment Act 1957,  
10 in accordance with subsection (1) of the last-mentioned section or accepted by the Commissioner under subsection (2) of that section.

(2) All objections to which this section applies that are  
15 received by the Commissioner after the passing of this Act and, if this section had not been passed, would have been heard and determined by the Transitional Income Tax Appeal Authority established under section 70 of the Income Tax Assessment Act 1957 shall be heard and determined by a  
20 Board of Review instead of by the Transitional Income Tax Appeal Authority, and for that purpose all references to the Transitional Income Tax Appeal Authority in section 69, subsection (4) of section 70, and sections 71 and 72 of the Income Tax Assessment Act 1957 and in the Transitional  
25 Income Tax Appeal Authority Regulations 1959 shall be deemed to be references to a Board of Review, and those provisions, as far as they are applicable and with the necessary modifications, shall apply accordingly.

(3) All objections to which this section applies that have  
30 been received by the Commissioner before the passing of this Act shall be dealt with and proceedings in respect thereof be heard and determined or continued as if this section had not been passed:

Provided that where any objection to which this section  
35 applies has been received by the Commissioner in the period commencing with the eighth day of September, nineteen hundred and sixty, and ending with the day immediately preceding the date of the passing of this Act and the objection is not allowed by the Commissioner, the objector may, within  
40 one month after the date on which notice of the disallowance is given to him by or on behalf of the Commissioner, by notice in writing to the Commissioner require that the objection be heard and determined by a Board of Review, and in

that event the objection shall for the purposes of this subsection and of subsection (2) of this section, be deemed to have been received by the Commissioner after the passing of this Act.

(4) If any question is raised as to whether an objection to which this section applies is received by the Commissioner before or after the passing of this Act, that question shall be determined by the Commissioner, and his decision shall be final and conclusive. There shall be no right of objection to any determination of the Commissioner under this subsection.

(5) Nothing in sections 18 to 36 of the Inland Revenue Department Amendment Act 1960 or in Part III of the principal Act shall apply with respect to or affect any objection to which this section applies, and every such objection shall, subject to this section, be made, instituted, heard, and determined, or continued in accordance with the provisions of sections 68 to 72 of the Income Tax Assessment Act 1957 and of any regulations relating to those objections.

## PART II

### RELIEF FROM DOUBLE TAXATION

**6. Application of Part II**—This Part of this Act shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and fifty-eight, and in every subsequent year.

**7. New Part VII B (Implementation of Arrangements for Relief From Double Taxation) inserted in principal Act**—The principal Act is hereby further amended by inserting, after Part VII A (as inserted by section 29 of the Land and Income Tax Amendment Act 1959), the following new Part:

#### “PART VII B

##### “IMPLEMENTATION OF ARRANGEMENTS FOR RELIEF FROM DOUBLE TAXATION

“203c. **Interpretation**—(1) In this Part of this Act, unless the context otherwise requires,—

“‘Agreement’ means a convention or agreement made between the Government of a territory outside New Zealand and the Government of New Zealand, with a view to affording relief from double taxation in relation to foreign tax imposed by the laws of that territory and New Zealand tax, being an

arrangement specified in an Order in Council made under section 172 of this Act or the corresponding provisions of any former Land and Income Tax Act:

5 “ ‘Determination’ means a determination of the Commissioner made pursuant to section 203D of this Act; and includes an amended determination:

“ ‘Foreign tax’ means tax, other than New Zealand tax, that is the subject of an agreement:

10 “ ‘New Zealand tax’ means income tax and excess retention tax imposed as such by this Act or any former Land and Income Tax Act, or either of those taxes.

“ (2) For the purposes of this Act, a reference in an agreement to profits of an activity or business shall, in relation to  
15 New Zealand tax, be read, where the context so permits, as a reference to taxable income derived from that activity or business.

*Credits for Foreign Tax*

“203D. **Determination of claims for credits**—(1) Where a  
20 taxpayer claims a credit for foreign tax in accordance with the provisions of an agreement, the Commissioner shall determine whether a credit is allowable and, if so, the amount of the credit.

“ (2) The Commissioner may from time to time and at any  
25 time amend a determination as he thinks necessary in order to ensure the correctness thereof.

“ (3) A determination shall not form part of an assessment of New Zealand tax.

“203E. **Notice of determination to taxpayer**—(1) As soon  
30 as conveniently may be after a determination is made, the Commissioner shall cause notice of the determination to be given to the taxpayer.

“ (2) The notice under this section may be included in a  
35 notice of assessment given to the taxpayer pursuant to section 28 of this Act.

“203F. **Except in proceedings on objection, determination deemed correct**—Except in proceedings on objection thereto under Part III of this Act, no determination shall be disputed in any Court or in any proceedings (including proceedings  
40 before a Board of Review); and, except as aforesaid, every such determination shall be conclusively deemed to be correct.

“203g. **Evidence of determination**—The production of any document under the hand of the Commissioner or a District Commissioner purporting to be a copy of or an extract from a notice of a determination shall in all Courts and in all proceedings (including proceedings before a Board of Review) be sufficient evidence of the original, and the production of the original shall not be necessary; and all Courts and Boards of Review shall in all proceedings take judicial notice of the signature of the Commissioner or District Commissioner either to the original or to any such copy or extract.

“203h. **Objections to determinations**—(1) Any taxpayer affected by a determination may object to the determination by delivering or posting to the Commissioner a written notice of objection stating shortly the grounds of the objection, within one month after the date on which notice of the determination is given to him by or on behalf of the Commissioner:

“Provided that where the determination is an amended determination the taxpayer shall have no further right of objection than he would have had if the amendment had not been made, except to the extent to which by reason of the amendment the amount of the credit for foreign tax is reduced.

“(2) No notice of objection given after the time prescribed by subsection (1) of this section shall be of any force or effect unless the Commissioner in his discretion accepts the objection and gives notice to the objector accordingly.

“203i. **Application of Part III of this Act to objections to determinations**—Subject to the provisions of this Part of this Act, the provisions of Part III of this Act, as far as they are applicable and with the necessary modifications, shall apply to every objection to a determination, as if—

“(a) References in the last-mentioned Part to an assessment were references to a determination, unless the context otherwise requires; and

“(b) References in subsection (3) of section 30 of this Act to a reduction of an assessment and to the reduced assessment were references to the amendment of a determination and to the amended determination respectively; and



5 “(c) References in section 31 and in subsection (11) of section 32 of this Act to an increase or reduction of the amount of an assessment were references to an increase or reduction of the amount of the credit for foreign tax.

10 “203J. **Information for credit to be furnished within four years**—A credit for foreign tax shall not be allowed unless, within four years after the end of the income year in which the taxpayer derived the income against the New Zealand tax on which the credit is claimed, or within such further period, not exceeding two years, as the Commissioner in his discretion allows in any case or class of cases, the taxpayer claiming the credit—

15 “(a) Makes application in writing to the Commissioner for the credit; and

20 “(b) Furnishes to the Commissioner all information (including information in relation to any amount to which the taxpayer is entitled in respect of any relief or repayment of the foreign tax) necessary for determining the amount of the credit.

“203K. **Election in respect of foreign tax on dividend**—  
(1) Where an agreement provides that a credit in respect of the whole or a part of any foreign tax payable in respect of a dividend shall be allowed against New Zealand tax payable in respect of the dividend by the person entitled to the dividend only if that person elects to have the amount of the dividend together with the amount of the foreign tax payable in respect of the dividend included in his assessable income for the purposes of New Zealand tax, that credit shall not be allowed to a taxpayer unless within four years after the end of the income year in which he derived the dividend, or within such further period, not exceeding two years, as the Commissioner in his discretion allows in any case or class of cases, the taxpayer, in addition to complying with the provisions of section 203J of this Act, gives to the Commissioner a notice in writing that he elects to have the amount of the dividend together with the amount of the foreign tax payable in respect of the dividend included in his assessable income for the purposes of New Zealand tax for the income year in which the dividend was derived by him.

“ (2) Where a taxpayer gives a notice of election in accordance with subsection (1) of this section, the amount of foreign tax payable in respect of the dividend shall, in addition to the

dividend, be included in his assessable income for the income year in which the dividend was derived by him, and the dividend shall, for the purposes of this Act, be deemed to be increased by the amount of the foreign tax.

“(3) Where a taxpayer gives a notice of election in accordance with subsection (1) of this section, and under section 144A of this Act an amount in respect of foreign tax deducted, or authorised to be deducted, from the dividend was included, or would, but for this subsection, be included in his assessable income for an income year other than the income year in which the dividend was derived by him, that last-mentioned amount—

“(a) Shall be deemed not to have been so included or shall not be so included, as the case may be; and

“(b) Shall be included in his assessable income for the income year in which the dividend was derived by him,—

and the dividend shall, for the purposes of this Act, be deemed to be increased by that amount.

“(4) For the purpose of giving effect to subsection (2) or subsection (3) of this section, the Commissioner may at any time alter any assessment, notwithstanding anything to the contrary in section 24 of this Act.

“203L. **Dividend paid without deduction in full of foreign tax**—Where—

“(a) A taxpayer gives a notice of election in accordance with subsection (1) of section 203K of this Act; and

“(b) Under the law of the territory with the Government of which the agreement referred to in that subsection has been made, the company paying the dividend to which the notice of election relates was authorised to deduct from the dividend an amount in respect of foreign tax; and

“(c) The company has paid the dividend without making such a deduction or without making the authorised deduction in full,—

then, for the purposes of the inclusion of the amount of foreign tax in the taxpayer’s assessable income and of the determination of the credit in respect of foreign tax to which the taxpayer is entitled, there shall be deemed to have been deducted as foreign tax in respect of the dividend the amount which would have been the amount so deducted in respect of foreign tax if the amount of the dividend paid to the taxpayer was the balance of a dividend remaining after the company had made the authorised deduction in full.

“203M. **Maximum credits**—Where, under the provisions of an agreement, a credit for foreign tax is allowable in respect of any income, the amount of that credit shall not exceed the amount of New Zealand tax payable in respect of that  
5 income.

“203N. **Recovery of excess credit allowed through not taking into account refund of foreign tax**—Where—

10 “(a) A credit for foreign tax payable either directly or by deduction, being a tax which a taxpayer is personally liable to pay, has been allowed against New Zealand tax payable by the taxpayer in respect of the same income; and

15 “(b) That credit has not taken into account any refund or repayment of the foreign tax received by the taxpayer, whether before or after that credit was allowed; and

20 “(c) The amount of that credit was in excess of the amount that would have been allowed if only the amount of the foreign tax not refunded or repaid to the taxpayer had been taken into account in calculating the credit,—

the amount of that excess shall be deemed to be income tax due and payable to the Commissioner on the thirtieth day after the date of the notice of determination of the credit or  
25 the date of the receipt by the taxpayer of that refund or repayment, whichever date is the later, and the provisions of this Act shall apply accordingly.

*Miscellaneous*

30 “203O. **Ascertainment of New Zealand tax on income**—  
(1) Where, for the purposes of the application of the provisions of an agreement or for any other purpose of this Act, it is necessary to ascertain the amount of New Zealand tax payable by a taxpayer in respect of any income of a particular nature or from a particular source derived by him in an  
35 income year, the amount of tax shall be ascertained in accordance with this section.

“ (2) Where that income is interest on any stock to which section 79 of this Act applies, the amount of New Zealand tax thereon shall be deemed to be the amount that is ascer-  
40 tained by—

“ (a) Calculating, in accordance with the provisions of subsection (3) of that section, the amount of income tax that would be payable by the taxpayer in respect of that interest; and

- “(b) Deducting from the amount so calculated the amount of any rebate allowable under that section.
- “(3) Where that income is income from dividends (not being investment society dividends), the amount of New Zealand tax thereon shall be deemed to be the amount that is ascertained by— 5
- “(a) Calculating, in accordance with the provisions of subsections (2) and (3) of section 78A of this Act, the amount of ordinary income tax that would be payable by the taxpayer in respect of all income from dividends of that kind derived by the taxpayer in that year; and 10
- “(b) Deducting from the amount so calculated the amount of any rebate allowable under that section; and
- “(c) Apportioning to the income in respect of which it is necessary to ascertain the amount of New Zealand tax the same proportion of the resultant amount as that income bears to all income from dividends of that kind derived by the taxpayer in that year. 15
- “(4) Where that income is income other than that interest and that income from dividends, the amount of New Zealand tax thereon shall be deemed to be the aggregate of the following amounts: 20
- “(a) The amount of ordinary income tax that is ascertained by— 25
- “(i) Calculating the amount of ordinary income tax that would be payable by the taxpayer in respect of the income derived by him in that year if the last-mentioned income were reduced by the amount of so much of that interest and that income from dividends as is included therein; and 30
- “(ii) Apportioning to the income in respect of which it is necessary to ascertain the amount of New Zealand tax the same proportion of the amount so calculated as that income bears to the total of the assessable income that was taken into account in calculating the amount of ordinary income tax under subparagraph (i) of this paragraph: 35
- “(b) The amount of social security income tax that is payable by the taxpayer on the income in respect of which it is necessary to ascertain the amount of New Zealand tax. 40

“203P. **Source of dividends**—Where a company is not resident in New Zealand but, for the purposes of a law of a territory with the Government of which an agreement has been made (being a law which imposes foreign tax), is  
5 resident in that other territory, a dividend paid by the company shall, for the purposes of the agreement, be deemed to be derived from a source in that other territory.

“203Q. **United Kingdom tax on dividends**—For the purposes of this Part of this Act and of the agreement entered  
10 into between the Government of the United Kingdom and the Government of New Zealand, the United Kingdom tax payable in respect of a dividend paid by a company resident in the United Kingdom shall be deemed to include the amount of United Kingdom income tax deductible by the  
15 company in accordance with the law of the United Kingdom from the gross amount of the dividend; but shall not include so much of that income tax as exceeds tax on that gross amount at the net United Kingdom rate applicable to the dividend for purposes of United Kingdom tax where, owing  
20 to the allowance of double-taxation relief in the United Kingdom, that net rate is less than the rate of United Kingdom income tax deductible from the dividend.”

### PART III

#### MISCELLANEOUS AMENDMENTS

25 **8. Application of Part III**—Except where this Part of this Act otherwise provides, this Part of this Act shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and sixty, and in every subsequent year.

30 **9. Non-resident investment companies**—(1) Section 78B of the principal Act (as inserted by section 4 of the Land and Income Tax Amendment Act 1959) is hereby amended by repealing subsection (1), and substituting the following subsection:

35 “(1) Where the Commissioner is satisfied that any investments or other assets in New Zealand of any non-resident investment company, as defined in subsection (2) of section 86A of this Act, are being or are to be used wholly or principally for the purposes of any undertaking, scheme, or work which  
40 pursuant to an Order in Council made under subsection (3) of that section is a development project for the purposes of that section, those investments or assets shall be deemed to be development assets for the purposes of this section.”

(2) Section 86A of the principal Act (as inserted by section 83 of the Income Tax Assessment Act 1957) is hereby amended by repealing paragraph (b) of subsection (2) (as substituted by subsection (2) of section 25 of the Land and Income Tax Amendment Act (No. 2) 1958), and substituting the following paragraph: 5

“(b) Is a company whose investments or assets in New Zealand, in the opinion of the Commissioner,—

“(i) Are being or are to be used wholly or principally for the purpose of any undertaking, scheme, 10 or work that pursuant to an Order in Council made under subsection (3) of this section is a development project for the purposes of this section; and

“(ii) Consist principally of principal money from 15 which interest is derived by that company.”

(3) Section 86A of the principal Act (as so inserted) is hereby further amended by repealing subsection (3) (as substituted by subsection (2) of section 25 of the Land and Income Tax Amendment Act (No. 2) 1958), and substituting 20 the following subsection:

“(3) Where the Governor-General is satisfied that any undertaking, scheme, or work (whether an industrial or commercial enterprise, the exploitation of natural resources, a building or construction project, an installation of equipment 25 or machinery, or otherwise), or any class of undertaking, scheme, or work, is or is to be entered upon wholly or principally for the purpose of developing New Zealand or is or will be of importance in the development of New Zealand, he may, by Order in Council, declare that undertaking, scheme, or 30 work or, as the case may be, undertakings, schemes, or works of that class, to be a development project or, as the case may be, development projects for the purposes of this section.”

(4) This section shall apply with respect to the tax for the year of assessment that commenced on the first day of April, 35 nineteen hundred and fifty-eight, and for every subsequent year.

#### **10. Special exemption in respect of life insurance premiums and superannuation and insurance fund contributions—**

(1) Section 85 of the principal Act is hereby amended by 40 repealing subsection (3) (as substituted by section 4 of the Land and Income Tax Amendment Act (No. 2) 1957), and substituting the following subsection:

“(3) The deductions by way of special exemption provided for in this section shall not in any year exceed in the aggregate the sum of two hundred and fifty pounds or twenty per cent of the assessable income of the taxpayer, whichever is the less.”

(2) Section 4 of the Land and Income Tax Amendment Act (No. 2) 1957 is hereby repealed.

**11. Exemption from income tax of dividends received by individuals from winding up of companies if winding up commenced before 27 June 1958—**(1) Section 86 of the principal Act is hereby amended by repealing paragraph (i) of subsection (1) (as substituted by section 6 of the Land and Income Tax Amendment Act (No. 2) 1958), and substituting the following paragraph:

“(i) Dividends derived—

“(i) By any company from companies other than from companies which are exempt from income tax; or

“(ii) By any person, other than a company, upon and from the winding up of companies other than companies which are exempt from income tax, if the winding up commenced before the twenty-seventh day of June, nineteen hundred and fifty-eight:”.

(2) Section 6 of the Land and Income Tax Amendment Act (No. 2) 1958 is hereby repealed.

(3) This section shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and fifty-eight, and in every subsequent year.

**12. First £30 of certain interest exempt from taxation—**

(1) Section 86 of the principal Act is hereby further amended by repealing paragraph (ii) of subsection (1) (as inserted by subsection (1) of section 10 of the Land and Income Tax Amendment Act 1959), and substituting the following paragraph:

“(ii) Income derived by any person (not being a company, or a public authority, or a Maori authority, or an unincorporated body, or a trustee assessable and liable for income tax under paragraph (a) or paragraph (b) of section 155 of this Act) from interest (not being interest that is exempt from income tax under any other provision of this

section) derived from money deposited in the Post Office Savings Bank or in any trustee savings bank or in a National Savings Investment Account, or from stock or debentures which have been issued by the Government of New Zealand: 5

“Provided that the amount of the exemption under this paragraph in any income year shall not exceed thirty pounds of the aggregate of that income:”.

(2) Section 10 of the Land and Income Tax Amendment Act 1959 is hereby repealed. 10

**13. Exemption from taxation of income of overseas students, etc.**—(1) Section 86 of the principal Act is hereby further amended by inserting in subsection (1), after paragraph (s), the following paragraph: 15

“(ss) Income derived by any person who is not (within the meaning of this Part of this Act) resident in New Zealand,—

“(i) From personal (including professional) services performed by that person within New Zealand for or on behalf of an employer who is not (within the meaning of this Part of this Act) resident in New Zealand; or 20

“(ii) From any maintenance, allowance, scholarship, or bursary provided for or paid to that person,— 25

if that income is derived by that person during and in respect of his presence within New Zealand for the purpose of providing professional or expert advice or assistance, or of teaching or lecturing, or of making investigations, or of receiving education, training, or experience, pursuant in every such case to any arrangement for assistance entered into by the Government of New Zealand:”.

(2) Section 86 of the principal Act is hereby further amended by adding the following subsections: 35

“(3) For the purposes of this section—

“‘Arrangement for assistance entered into by the Government of New Zealand’ means any scheme, plan, or arrangement entered into by the Government of New Zealand— 40

“(a) In relation or pursuant to—

“(i) The Colombo Plan; or



- “(ii) The Commonwealth Education Scheme; or  
“(iii) The economic, technical, cultural, or educational assistance programmes of the South East Asia Treaty Organisation; or  
5 “(iv) The Japanese Cultural and Technical Assistance Fund; or  
“(v) Programmes of the United Nations or of any specialised agency of the United Nations for professional, expert, educational, technical, economic, or cultural assistance; or  
10 “(b) For the purpose of providing education, training, or experience for officers of the Western Samoan Public Service or the Cook Islands Public Service or for persons resident in Western Samoa, the Tokelau Islands, or the Cook Islands (including Niue); or  
15 “(c) With the Government of any other country or with any international organisation for the purpose of providing (whether upon a mutual, cooperative, multilateral, bilateral, or unilateral basis) professional, expert, educational, economic, technical, or cultural assistance, or administrative or other training, or the means or facilities for making investigations, being a scheme, plan, or arrangement that is in principle similar to any scheme, plan or arrangement to which paragraph (a) or paragraph (b) of this definition applies:  
20 “ ‘International organisation’ means any organisation the members of which are sovereign powers, whether foreign sovereign powers or countries of the Commonwealth, or the Governments thereof.  
30 “(4) If any question arises as to whether any person is entitled under paragraph (ss) of subsection (1) of this section  
35 to exemption from income tax of the whole or any part of his income or as to whether any scheme, plan, or arrangement is an arrangement for assistance entered into by the Government of New Zealand, that question shall be determined by the Commissioner, and there shall be no right of objection to  
40 any determination of the Commissioner under this subsection.”

(3) This section shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and fifty-nine, and in every subsequent year.

**14. Aggregation of incomes of husband and wife**—(1) The principal Act is hereby further amended by repealing section 104 (as substituted by subsection (1) of section 29 of the Land and Income Tax Amendment Act (No. 2) 1958), and substituting the following section:

“104. (1) In this section— 10

“‘Aggregable income’ means the income (whether assessable or non-assessable), in relation to ordinary income tax, that is derived by a married person during an income year while living with his or her spouse and— 15

“(a) Is income that—

“(i) Is derived by him or her pursuant to a transfer or settlement (whether made before or after the commencement of this section) under which his or her spouse is the transferor or settlor; and 20

“(ii) Would be deemed under section 105 of this Act to be income derived by his or her spouse if the period of the transfer or settlement had been less than the prescribed period as defined in subsection (6) of that section; or 25

“(b) Is income that is derived wholly or partly from either or both of the following:

“(i) The use, occupation, or exploitation (whether alone, or in partnership, or in conjunction in any way with any other person or persons) of any land or other property or assets where the right to such use, occupation, or exploitation is acquired by the married person (whether before or after the commencement of this section) from his or her spouse (whether or not for adequate consideration) and his or her spouse has retained in any part of that income year any interest in the land or other property or assets: 30 35 40

“ (ii) The performance of services by his or her spouse, whether before or after the commencement of this section and whether or not for adequate consideration,—

5 if and to the extent that the Commissioner is of the opinion that the income is derived by the married person in pursuance of any undertaking or scheme entered into or devised for the purpose or with the intention of diverting income from his or her spouse

10 to the married person:

“ ‘Aggregable assessable income’ means that portion of the aggregable income that consists of assessable income:

15 “ ‘Aggregable non-assessable income’ means that portion of the aggregable income that consists of non-assessable income:

20 “ ‘First portion of the aggregable income’ means the first six hundred and fifty pounds of the aggregable assessable income or, where the aggregable assessable income is less than six hundred and fifty pounds, the amount of the aggregable assessable income and any aggregable non-assessable income, but not exceeding such part of the aggregable non-assessable income as when added to the aggregable assessable income

25 will amount to six hundred and fifty pounds:

“ ‘Non-aggregable income’ means the income (whether assessable or non-assessable), in relation to ordinary income tax (not being aggregable income), that is derived by any person during an income year in

30 which that person is at any time a married person and derives aggregable income, whether or not the first-mentioned income is derived during the subsistence of the marriage:

35 “ ‘Second portion of the aggregable income’ means the balance of the aggregable income over and above the first portion of the aggregable income.

“ (2) For the purposes of this section a married person shall be deemed to be living with his or her spouse, unless the Commissioner is satisfied that they are in fact separated and

40 living separate and apart, whether pursuant to a decree, order, or judgment of any Court, or pursuant to an agreement for separation, or by reason of the desertion of one of the parties by the other of them, or otherwise.

“(3) Notwithstanding anything to the contrary in this Act, this section applies with respect to the assessment of income tax upon the assessable income derived during any income year by a person who at any time during that year is a married person, in every case where— 5

“(a) The income (whether assessable or non-assessable), in relation to ordinary income tax, derived by him or her during that year, whether or not during the subsistence of the marriage, and the aggregable income derived by his or her spouse during that year both exceed six hundred and fifty pounds; or 10

“(b) The aggregable income derived by him or her during that year and the income (whether assessable or non-assessable), in relation to ordinary income tax, derived by his or her spouse during that year, whether or not during the subsistence of the marriage, both exceed six hundred and fifty pounds;— 15

but does not apply in any other case. 20

“(4) Where this section applies and the married person being assessed for income tax has derived aggregable income in excess of six hundred and fifty pounds during the income year (that married person being referred to in this subsection as the married person), the following provisions of this subsection shall apply with respect to the assessment of income tax on the income derived by the married person during that year, whether or not the spouse of the married person has also derived aggregable income in excess of six hundred and fifty pounds during that year, namely: 25 30

“(a) For the purposes of the assessment of ordinary income tax, instead of the deductions under section 137 of this Act and the special exemptions provided for in this Act the Commissioner shall allow the following deductions and special exemptions in the order and manner following: 35

“(i) Firstly, any loss which the married person would have been entitled to deduct under section 137 of this Act and all special exemptions to which he or she would have been entitled, if he or she had been assessed otherwise than in accordance with this section, shall be respectively deducted from and allowed against the assessable income included in his or her non-aggregable income so far as that assessable income extends, and in the 40 45

order and manner in which they would be deducted and allowed if his or her non-aggregable income were his or her only income and he or she were assessed otherwise than in accordance with this section:

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“(ii) Secondly, a special exemption equal to the balance (if any) not already allowed against his or her non-aggregable income of the total of the special exemptions to which the married person would have been entitled under section 79A (excluding the amount specified in paragraph (iii) of subsection (2) of that section) or section 80 of this Act, if he or she had been assessed otherwise than in accordance with this section, shall be allowed firstly against any assessable income included in the first portion of his or her aggregable income so far as that assessable income extends and, as to the balance (if any), against any non-assessable income included in the first portion of his or her aggregable income:

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“(iii) Thirdly, the balance (if any) not already deducted from his or her non-aggregable income of any loss which the married person would have been entitled to deduct under section 137 of this Act, if he or she had been assessed otherwise than in accordance with this section, shall be deducted from any assessable income included in the second portion of his or her aggregable income so far as that assessable income extends, and any balance of the loss shall be deducted from any assessable income included in the first portion of his or her aggregable income:

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“(iv) Fourthly, the balance (if any) not already allowed against his or her non-aggregable income of all other special exemptions to which the married person would have been entitled, if he or she had been assessed otherwise than in accordance with this section, shall be allowed firstly against any assessable income included in the first portion of his or her aggregable income so far as that assessable income extends and, as to the balance (if any), against any assessable income included in the second portion of his or her aggregable income:

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“(v) Fifthly, any loss which the spouse of the married person would have been entitled to deduct under section 137 of this Act, if this section had not been passed, shall be deducted from the assessable income of the spouse: 5

“(vi) Sixthly, a special exemption equal to the total of the special exemptions to which the spouse of the married person would have been entitled under section 79A (excluding the amount specified in paragraph (iii) of subsection (2) of that section) or section 80 of this Act, if this section had not been passed, shall be allowed firstly against the assessable income of the spouse so far as that income extends and, as to the balance (if any), against the non-assessable income of the spouse: 10 15

“(vii) Seventhly, all other special exemptions to which the spouse of the married person would have been entitled, if this section had not been passed, shall be allowed against the assessable income of the spouse: 20

“(b) The ordinary income tax payable by the married person in respect of the taxable income included in his or her non-aggregable income and in the first portion of his or her aggregable income shall be the amount of ordinary income tax that would otherwise be payable in accordance with this Act if— 25

“(i) He or she had derived no income except his or her non-aggregable income and the first portion of his or her aggregable income; and 30

“(ii) He or she had been assessed otherwise than in accordance with this section; and

“(iii) Sections 23, 26, 26A, 26B, and 54A of the Income Tax Assessment Act 1957 had not been passed: 35

“(c) The ordinary income tax payable by the married person in respect of the taxable income included in the second portion of his or her aggregable income shall be calculated at a rate equal to the rate for a taxable income equal in amount to the total of— 40

“(i) The taxable income included in the second portion of his or her aggregable income;

“(ii) The non-assessable income included in the second portion of his or her aggregable income;

“(iii) The taxable income of his or her spouse; 45

and

5 “(iv) The non-assessable income of his or her spouse after subtracting therefrom the amount (if any) of the balance of the total of the special exemptions allowed against that non-assessable income in accordance with subparagraph (vi) of paragraph (a) of this subsection:

10 “(d) The social security income tax payable by the married person shall be the social security income tax that would otherwise be payable in accordance with this Act if this section and sections 23, 26, 26A, 26B, and 54A of the Income Tax Assessment Act 1957 had not been passed.

15 “(5) Where this section applies and the married person being assessed for income tax has not derived aggregable income in excess of six hundred and fifty pounds during the income year (that married person being referred to in this subsection as the married person), the following provisions of this subsection shall apply with respect to the assessment of income tax on the income derived by the married person during that year, namely:

20 “(a) For the purposes of the assessment of ordinary income tax, instead of the deductions under section 137 of this Act and the special exemptions provided for in this Act the Commissioner shall allow the same deductions and special exemptions as are allowed in respect of that income pursuant to subparagraphs (v), (vi), and (vii) of paragraph (a) of subsection (4) of this section for the purposes of that subsection:

25 “(b) The ordinary income tax payable by the married person in respect of the taxable income included in his or her taxable income shall be calculated at the rate ascertained for that year pursuant to the provisions of paragraph (c) of subsection (4) of this section:

30 “(c) The social security income tax payable by the married person shall be the social security income tax that would otherwise be payable in accordance with this Act if this section and sections 23, 26, 26A, 26B, and 54A of the Income Tax Assessment Act 1957 had not been passed.

35 “(6) A married man shall be solely liable for the income tax assessed to him in accordance with this section and his wife shall be solely liable for the income tax assessed to her in accordance with this section.

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“(7) Notwithstanding anything to the contrary in the foregoing provisions of this section, where in respect of the incomes derived by a married man and his wife during any income year the total income tax payable by them in accordance with this section would be less than the total income tax otherwise payable by them if this section had not been passed, this section shall not apply, and the married man and his wife shall each be liable to pay income tax in respect of the income derived by him or her, as the case may be, as if this section had not been passed: 5  
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“Provided that this subsection shall not apply in respect of any year where in making assessments in accordance with this section the Commissioner has allowed a deduction under section 137 of this Act in respect of a loss incurred by the married man or his wife.” 15

(2) The following enactments are hereby repealed:

(a) Section 29 of the Land and Income Tax Amendment Act (No. 2) 1958:

(b) Section 13 of the Land and Income Tax Amendment Act 1959. 20

**15. Special depreciation allowance on plant and machinery**—The principal Act is hereby further amended by inserting, after section 114, the following section:

“114A. (1) Where the Commissioner is satisfied that any taxpayer engaged in any business has on or after the first day of April, nineteen hundred and sixty, and before the first day of April, nineteen hundred and sixty-three, acquired, installed, or extended any plant or machinery to be used wholly for the purposes of that business, the Commissioner may, in his discretion, subject to section 117 of this Act, in calculating the assessable income derived by the taxpayer, allow, in addition to the depreciation allowed as a deduction under section 113 of this Act, such deduction by way of special depreciation in accordance with this section as he thinks fit. 25  
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“(2) The amount of any deduction allowed under this section in respect of any asset shall not exceed in the aggregate twenty per cent of the cost of the asset. 35

“(3) Unless in any case the Commissioner otherwise determines, the amount of any deduction allowed under this section in respect of any plant or machinery shall be allowed in respect of the income derived by the taxpayer during the period of five years from the date on which the taxpayer has commenced to use the plant or machinery in the production of assessable income, at the following rates: 40

“(a) Six per cent in respect of the first year: 45



“(b) Five per cent in respect of the second year:

“(c) Four per cent in respect of the third year:

“(d) Three per cent in respect of the fourth year:

“(e) Two per cent in respect of the fifth year.

5 “(4) Without limiting the discretion of the Commissioner under this section, it is hereby declared that he may refuse in whole or in part to allow any deduction under this section in any case where—

10 “(a) He is of the opinion that the cost of any plant or machinery acquired, installed, or extended is not of sufficient magnitude to warrant a depreciation allowance under this section:

15 “(b) He is not satisfied that complete and satisfactory accounts have been kept by or on behalf of the taxpayer and that sufficient depreciation has been provided for in the taxpayer’s accounts.

20 “(5) All references in this section to ‘the taxpayer’, in relation to any taxpayer who has died after acquiring, installing, or extending any plant or machinery, shall be deemed to be references to his personal representatives and to the trustees of his estate and (so far as the Commissioner thinks just and equitable) to the beneficiaries of the taxpayer’s estate.

25 “(6) In this section the expression ‘plant or machinery’ includes a motorcar or station wagon, as defined in subsection (1) of section 2 of the Transport Act 1949, which is a passenger-service vehicle as defined in that subsection; but does not include any other motorcar or station wagon.”

**16. Carrying forward of losses incurred by companies—**

30 (1) Section 137 of the principal Act is hereby amended by omitting from subsection (3) all words down to and including the words “the loss was incurred”, and substituting the following words: “Notwithstanding anything in the foregoing provisions of this section, if any taxpayer, being a company,  
35 claims to carry forward to any income year any loss made by it in any former income year, the claim shall not be allowed unless the Commissioner is satisfied that the shareholders of the company on the last day of the first-mentioned income year were substantially the same as the shareholders of the  
40 company on the last day of the income year in which the loss was incurred.”

(2) This section shall be deemed to have come into force on the date of the passing of the Income Tax Assessment Act 1957.

**17. Amounts owing under convertible notes deemed to be share capital and holders deemed to be shareholders—**

(1) The principal Act is hereby further amended by inserting, after section 143, the following section:

“143A. (1) For the purposes of this section, the term ‘convertible note’ means any debenture, bond, certificate, document, note, or writing issued or given by a company— 5

“(a) Evidencing, acknowledging, creating, or relating to a loan to the company or any money subscribed to the company or any other liability of the company, whether or not there is a charge over the undertaking or any of the assets of the company securing the whole or any part of the amount in respect of which the company has issued or given the convertible note; and 10 15

“(b) Providing pursuant to a trust deed or otherwise, and whether exclusively or not,—

“(i) For that amount or any part thereof, with or without interest thereon and whether at par or otherwise, to be converted into, or to be redeemed or paid by the issue of, shares or stock in the capital of the company, whether the conversion, redemption, or payment by the issue of shares or stock is mandatory or is at the option of the company or of the holder of the convertible note; or 20 25

“(ii) For the holder to have any right to subscribe for shares or stock in the capital of the company or in the capital of any other company;—

whether that debenture, bond, certificate, document, note, or writing is contained in one document or in two or more documents which together comply with the provisions of paragraphs (a) and (b) of this subsection. 30

“(2) Where pursuant to the terms of any issue of convertible notes any person becomes entitled to have a convertible note issued or given to him by a company, the company shall, for the purposes of this section, be deemed to have issued or given the convertible note at the time when that person first became entitled to have the convertible note issued or given to him. 35 40

“(3) Where a company has issued or given a convertible note pursuant to an offer made by or to the company after the eighth day of September, nineteen hundred and sixty, the following provisions shall apply:

5 “(a) No deduction shall be made, in calculating the assessable income of the company, in respect of any interest payable under the convertible note or of any expenditure or loss incurred in connection with the convertible note or in borrowing any money in respect of which the convertible note is issued or given; and

10 “(b) For the purposes of this Act,—  
“(i) The amount in respect of which the convertible note is issued or given shall be deemed to be share capital in the capital of the company; and

15 “(ii) That amount shall be deemed to be the amount paid up in respect of shares of which the holder of the convertible note is deemed to be the holder; and

“(iii) The holder of the convertible note shall be deemed to be a shareholder in the company,—  
and the provisions of this Act shall apply accordingly.”

20 (2) Section 4 of the principal Act is hereby amended by inserting in subsection (1), after paragraph (g) (as inserted by subsection (1) of section 4 of the Land and Income Tax Amendment Act (No. 2) 1958), the following paragraph:

25 “(h) All interest paid under a convertible note, as defined in subsection (1) of section 143A of this Act, being a convertible note to which subsection (3) of that section applies, and all other payments and transactions in relation to such a convertible note which, if made to or with a shareholder in relation to share capital in a company, would be dividends under any provision of this Act:”

30 (3) Section 143 of the principal Act is hereby amended by adding the following subsection:

35 “(5) This section shall not apply with respect to any debenture that is a convertible note, as defined in subsection (1) of section 143A of this Act.”

40 (4) Subsection (3) of this section shall apply with respect to the tax for the year of assessment that commenced on the first day of April, nineteen hundred and fifty-five (being the date of the commencement of the principal Act), and for every subsequent year.

**18. Bonus shares issued from accumulated profits to be non-assessable income of shareholders in certain cases—**

(1) Section 144B of the principal Act (as inserted by subsection (1) of section 22 of the Land and Income Tax Amendment Act 1959) is hereby amended as from the passing of the last-mentioned Act by omitting from subsection (2) the words “by a taxpayer (including a company)”, and substituting the words “by a taxpayer, being a company, during the income year that commenced on the first day of April, nineteen hundred and fifty-seven, or during any subsequent year, and by a taxpayer, other than a company”.

(2) Section 144B of the principal Act (as so inserted) is hereby further amended as from the passing of the Land and Income Tax Amendment Act 1959 by adding the following subsection:

“(3) To the extent to which the Commissioner is satisfied—

“(a) That a company has declared a dividend out of so much of a dividend derived by it as is subject to the provisions of subsection (2) of this section pursuant to the foregoing provisions of this section or pursuant to this subsection; and

“(b) That the dividend so declared is a dividend to which the provisions of paragraphs (c), (d), (e), and (f) of subsection (1) of this section apply,—

the dividend so declared shall be deemed to be a dividend to which the provisions of subsection (2) of this section shall apply.”

(3) Section 22 of the Land and Income Tax Amendment Act 1959 is hereby amended as from the passing of that Act by repealing paragraph (a) of subsection (5), and substituting the following paragraph:

“(a) With respect to income tax, to the tax on income derived—

“(i) By a taxpayer, being a company, in the income year that commenced on the first day of April, nineteen hundred and fifty-seven, and in every subsequent year; and

“(ii) By a taxpayer, other than a company, in the income year that commenced on the first day of April, nineteen hundred and fifty-eight, and in every subsequent year.”

(4) Section 22 of the Land and Income Tax Amendment Act 1959 is hereby further amended as from the passing of that Act by omitting from the proviso to subsection (5) the words “nineteen hundred and sixty”, and substituting the words “nineteen hundred and sixty-one”.

19. **Companies engaged in mining**—(1) Section 152 of the principal Act (as amended by section 9 of the Land and Income Tax Amendment Act 1956 and section 12 of the Land and Income Tax Amendment Act (No. 2) 1957) is hereby further amended by inserting in subsection (1), after the word “uranium”, the words “barytes, feldspar”.

(2) This section shall apply with respect to the tax on income derived in the income year that commenced on the first day of April, nineteen hundred and fifty-nine, and in every subsequent year.

20. **Unit trusts**—(1) The principal Act is hereby further amended by inserting, after section 153A (as inserted by section 33 of the Land and Income Tax Amendment Act (No. 2) 1958), the following section:

15 “153B. (1) In this section—

“Trust’ has the same meaning as in the Trustee Act 1956:

20 “Trustee’, in relation to any unit trust, means the trustee in which is vested the money, investments, and other property that are for the time being subject to the trusts governing that unit trust:

25 “Unit holder’, in relation to any unit trust, means the legal owner of an interest in the money, investments, and other property that are for the time being subject to the trusts governing that unit trust:

30 “Unit trust’ means any scheme or arrangement, whether made before or after the commencement of this section, that is made for the purpose or has the effect of providing facilities for the participation, as beneficiaries under a trust, by subscribers or purchasers, in income and gains (whether in the nature of capital or income) arising from the money, investments, and other property that are for the time being subject to the trust; but does not include—

35 “(a) A trust for the benefit of debenture holders; or

“(b) The Common Fund of the Public Trustee; or

40 “(c) The Common Fund of the Maori Trustee; or

“(d) Any Group Investment Fund established under the Trustee Companies Act 1960; or

“(e) Any friendly society registered under the Friendly Societies Act 1909; or

- “(f) Any superannuation fund; or  
“(g) Any other specified trust or trust of any specified kind that is declared by the Governor-General, by Order in Council, not to be a unit trust for the purposes of this section. 5
- “(2) For the purposes of this Act—  
“(a) Every unit trust shall be deemed to be a company, and the term ‘company’ where used in this Act shall be deemed to be extended accordingly; and  
“(b) The interests of the unit holders in the unit trust shall be deemed to be shares in the company; and 10  
“(c) The unit holders shall be deemed to be shareholders in the company; and  
“(d) There shall be deemed to be paid up in respect of shares of which a unit holder is deemed to be the holder an amount equal to— 15  
“(i) The nominal amount of the interest of the unit holder in the unit trust; or  
“(ii) In any case where that interest is not paid to the manager or trustee of the unit trust in full, or there is no nominal amount, the amount received by the manager or trustee in respect of that interest (not being in respect of a resale of that interest),— 20  
and the provisions of this Act shall apply accordingly.
- “(3) For the purposes of this Act— 25  
“(a) Income derived by the trustees of a unit trust shall be deemed to be income derived by that unit trust; and  
“(b) Sums periodically appropriated or paid for manager’s and trustee’s remuneration out of income derived by the trustees of a unit trust shall be treated as expenditure incurred in the production of that income.” 30
- (2) Section 4 of the principal Act is hereby further amended by inserting in subsection (1), after paragraph (h) (as inserted by subsection (2) of section 17 of this Act), the following paragraph: 35
- “(i) All income of a unit trust (as defined in subsection (1) of section 153B of this Act) distributed to a unit holder (as defined in that subsection), and all other payments to and transactions with a unit holder (as so defined) in relation to his interest in the unit trust which, if made to or with a shareholder in relation to shares in a company, would be dividends under any provision of this Act;—”. 40 45

**21. Exemption from excess retention tax of dividends received by companies from winding up of other companies if winding up commenced before 27 June 1958—**(1) Section 172B of the principal Act (as inserted by section 15 of the  
5 Land and Income Tax Amendment Act (No. 2) 1958) is hereby amended by inserting in the definition of the expression “distributable portion of the income derived by a company in an accounting year”, after paragraph (bb) (as inserted by  
10 subsection (3) of section 22 of the Land and Income Tax Amendment Act 1959), the following paragraph:

“(bbb) An amount equal to the total of all dividends derived by the company in that accounting year upon and from the winding up of other companies, if the winding up commenced before the  
15 twenty-seventh day of June, nineteen hundred and fifty-eight;”.

(2) This section shall apply with respect to the tax for the year of assessment that commenced on the first day of April, nineteen hundred and fifty-nine, and for every subsequent  
20 year.

**22. Special allowance for excess retention tax purposes of income required for development expenditure—**(1) The principal Act is hereby further amended by inserting, after section 172K (as inserted by section 15 of the Land and Income  
25 Tax Amendment Act (No. 2) 1958), the following section:

“172KK. (1) In any case where the Commissioner is satisfied that—

“(a) The whole or any part of the insufficient distribution of the income derived by a company in any accounting year has been retained by the company for the purposes of expenditure on essential development or expansion involving the acquisition of productive plant or machinery or the erection or installation of newly acquired productive plant or machinery or the acquisition or erection or extension of buildings necessary to house any such productive plant or machinery; and  
30

“(b) The resources of the company and the amount of the retention allowance in relation to the income derived by the company in that accounting year are insufficient to meet that expenditure,—  
40

the Commissioner may in his discretion, upon application in that behalf made in writing by or on behalf of the company within the prescribed period in relation to that accounting

year, or within such further period as the Commissioner in his discretion may allow in any case or class of cases, release the company wholly or in part from its liability to pay excess retention tax upon the amount of the insufficient distribution that is retained by the company for such expenditure, and the excess retention tax on that insufficient distribution may be assessed or reassessed accordingly. 5

“(2) Where under this section any company is released from its liability to pay any excess retention tax upon the amount of the insufficient distribution of the income derived by the company in any accounting year, then, unless the Commissioner is satisfied that before the expiration of three years after the end of that accounting year— 10

“(a) The whole amount of the insufficient distribution in respect of which relief was so given is expended by the company in the acquisition of productive plant or machinery or the erection or installation of newly acquired productive plant or machinery or the acquisition or erection or extension of buildings necessary to house any such productive plant or machinery; or 15 20

“(b) A binding contract for the acquisition of productive plant or machinery or the erection or installation of newly acquired productive plant or machinery or the acquisition or erection or extension of buildings necessary to house any such productive plant or machinery requiring the payment by the company of the whole amount of that insufficient distribution is completed by all the necessary parties thereto; or 25 30

“(c) The company has dealt with the whole amount of that insufficient distribution partly in the manner specified in paragraph (a) and partly in the manner specified in paragraph (b) of this subsection,— 30

the Commissioner may re-assess the excess retention tax on the amount of that insufficient distribution or, as the case may require, on so much thereof as has not been so expended or contracted to be expended as aforesaid.” 35

(2) This section shall apply with respect to the tax for the year of assessment that commenced on the first day of April, nineteen hundred and sixty, and for every subsequent year. 40



**23. Insurance effected with insurers out of New Zealand—**

(1) Section 198 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

5 “(1) Where any person in New Zealand enters into a contract of insurance or guarantee against loss, damage, or risk of any kind whatever (not being a contract of life insurance or of reinsurance of any kind) with any insurer, and the insurer does not carry on business in New Zealand or the  
10 premium for the contract is not otherwise included in income derived from New Zealand by the insurer, the insurer shall be liable to income tax at a rate of five per cent of the amount of the premium paid or payable by the first-mentioned person in respect of the contract.”

15 (2) Section 198 of the principal Act is hereby further amended as follows:

(a) By omitting from subsection (3) the words “person or overseas company”, and substituting the word “insurer”:

20 (b) By omitting from subsection (3) the word “ordinary”, as inserted by subsection (3) of section 5 of the Income Tax Assessment Act 1957.

(3) The Third Schedule to the Income Tax Assessment Act 1957 is hereby amended by repealing so much as relates  
25 to section 198 of the principal Act.

(4) This section shall apply with respect to contracts entered into on or after the date of the passing of this Act.

**24. Insurance underwriters—**(1) Section 203A of the principal Act (as inserted by section 29 of the Land and Income  
30 Tax Amendment Act 1959) is hereby amended as follows:

(a) By adding to the definition of the term “insurance” in subsection (1) the words “and includes reinsurance to which this Part of this Act applies under the provisions of subsection (6) of this section”:

35 (b) By inserting in subsection (2), after the words “who incurs liability under any such contract”, the words “in respect of which there is, in accordance with this section, an agent in New Zealand of the underwriter”.

(2) Section 203A of the principal Act (as so inserted) is hereby further amended by adding the following subsections:

“(5) For the purposes of this Part of this Act, a renewal of a contract of insurance shall be deemed to be a separate contract from the contract which is thereby renewed. 5

“(6) This Part of this Act shall apply with respect to every contract of reinsurance—

“(a) That is entered into between—

“(i) An underwriter as the reinsurer; and

“(ii) A person in New Zealand who carries on 10  
the business of insurance,—  
reinsuring a risk of any kind whatever except life  
insurance; and

“(b) In respect of which there is an agent in New Zealand 15  
of the underwriter;—

but shall not apply with respect to any other contract of reinsurance. In the case of every contract of reinsurance to which this Part of this Act applies the person with whom the underwriter enters into the contract shall, for the purposes of this Part of this Act, be deemed to be an insured person.” 20

(3) Section 203B of the principal Act (as inserted by section 29 of the Land and Income Tax Amendment Act 1959) is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) Notwithstanding anything to the contrary in this 25  
Act,—

“(a) Every underwriter who carries on the business of insurance in New Zealand in any year shall be deemed to have derived from every contract of insurance entered into by him in carrying on that 30  
business in that year a taxable income of an amount equal to ten per cent of the amount of every premium paid or payable in that year in respect of that contract; and

“(b) The rate of income tax payable on that taxable in- 35  
come shall be a rate equal to the total of—

“(i) The maximum rate of ordinary income tax; and

“(ii) The rate of social security income tax,— 40  
as fixed in both cases for companies by the annual taxing Act last passed before the day of the commencement of that contract; and

“(c) The underwriter shall be assessable and liable accord- 45  
ingly for income tax on the taxable income in respect of every such contract; and

- 5 “(d) The agent in New Zealand of any underwriter in  
respect of any contract of insurance entered into  
by the underwriter in carrying on the business of  
insurance in New Zealand shall, for the purposes of  
this Act, be the agent of the underwriter in respect  
of that contract, and shall make returns and be  
assessable and liable for income tax accordingly,  
whether or not any premium in respect of that  
contract comes to the hands of the agent, and all  
10 the provisions of this Act as to agents, shall, so  
far as applicable, apply accordingly.”
- (4) This section shall be deemed to have come into force  
on the first day of April, nineteen hundred and sixty.
- 15 (5) Notwithstanding anything in section 2 of the Land and  
Income Tax Amendment Act 1959, sections 203A and 203B  
of the principal Act shall not apply and shall be deemed not  
to have applied with respect to any contract of insurance  
entered into before the first day of April, nineteen hundred  
and sixty, and those sections (as amended by this section)  
20 shall apply only with respect to contracts of insurance entered  
into on or after that date.
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## SCHEDULE

Section 2 (2)

## ENACTMENTS AMENDED

*Part I—Amendments of Land and Income Tax Act 1954*

Section Amended	Amendment
Section 2 .....	By inserting after the definition of the expression "basic rates", the following definition: " 'Board of Review' or 'Board' means a Board of Review established under the Inland Revenue Department Amendment Act 1960:".
Section 4 (1) .....	By omitting from paragraph (f) the words "and it shall be a ground for an objection to an assessment of income tax under Part III of this Act that any determination of the Commissioner made for the purposes of this paragraph is erroneous in fact". By omitting the words "subject to the taxpayers' right of objection to the Commissioner's assessment under Part III of this Act".
Section 22 (2) .....	By omitting from the second proviso the words "in the opinion of the Commissioner".
Section 26 .....	By omitting the words "who shall, unless the alteration or addition was made with his consent, be entitled to object thereto under Part III of this Act".
Section 27 .....	By inserting, after the words "or in any proceedings", the words "(including proceedings before a Board of Review)".
Section 51 (2) .....	By inserting, after the words "assessment shall in all Courts and in all proceedings", the words "(including proceedings before a Board of Review)". By inserting, after the words "shall not be necessary, and all Courts", the words "and Boards of Review".
Section 65 (1) .....	By omitting the words "save that the decision of the Magistrate on any question of fact shall be final and conclusive".
Section 89 .....	By omitting from the proviso the words "In any such case the decision of the Commissioner shall be final and conclusive".
Section 90 (2) .....	By omitting the words "subject to the taxpayer's right of objection to the Commissioner's assessment under Part III of this Act".
	By repealing this subsection.

SCHEDULE—*continued*ENACTMENTS AMENDED—*continued**Part I—Amendments of Land and Income Tax Act 1954—continued*

Section Amended	Amendment
Section 91 (1B) (as inserted by section 26 (1) of the Land and Income Tax Amendment Act (No. 2) 1958)	By repealing this subsection.
Section 97 (4) .....	By repealing this subsection.
Section 101 (3) .....	By repealing this subsection.
Section 102 (2) .....	By repealing this subsection.
Section 103 (4) .....	By omitting the words "and his decision shall be final".
Section 103A (4) (as inserted by section 5 of the Land and Income Tax Amendment Act 1956) .....	By omitting the words "and his decision shall be final".
Section 106 (4) .....	By repealing this subsection.
Section 107 (4) .....	By repealing this subsection.
Section 117 (4) .....	By repealing this subsection.
Section 128 (2) .....	By adding the words "and there shall be no right of objection to any determination of the Commissioner under this section".
Section 136A (3) (as inserted by section 19 (1) of the Land and Income Tax Amendment Act 1959)	By repealing this subsection.
Section 147A (2) (as inserted by section 15 (1) of the Land and Income Tax Amendment Act 1955)	By repealing this subsection.
Section 153 (5) .....	By omitting the words "subject to the company's right of objection to the Commissioner's assessment under Part III of this Act".

SCHEDULE—*continued*ENACTMENTS AMENDED—*continued**Part I—Amendments of Land and Income Tax Act 1954—continued*

Section Amended	Amendment
Section 153A (2) (as inserted by section 33 of the Land and Income Tax Amendment Act (No. 2) 1958)	By omitting the words "subject to the holding company's right of objection to the Commissioner's assessment under Part III of this Act".
Section 172A (4A) (as inserted by section 34 (2) of the Land and Income Tax Amendment Act (No. 2) 1958)	<p>By repealing this subsection, and substituting the following subsection:</p> <p>"(4A) In the exercise by the Collector of Inland Revenue or other appropriate revenue authority for the locally taxed territory of the functions and powers of the Commissioner vested in him as aforesaid,—</p> <p>"(a) The provisions of this Act, as far as they are applicable and with the necessary modifications, shall apply as if—</p> <p>"(i) References to New Zealand were references to the locally taxed territory;</p> <p>"(ii) References to the Commissioner were references to the Collector of Inland Revenue or other appropriate revenue authority for the locally taxed territory;</p> <p>"(iii) References to a Board of Review or Board were references to the High Court of the Cook Islands;</p> <p>"(iv) References to a Magistrate's Court were references to the High Court of the Cook Islands;</p> <p>"(v) References to a Stipendiary Magistrate or to a Magistrate were references to a Judge of the High Court of the Cook Islands;</p> <p>"(vi) For the words 'Public Service' in section 213 there was substituted the words 'Cook Islands Public Service'; and</p> <p>"(vii) For the word 'Parliament' in section 214 there were substituted the words 'an Appropriation Ordinance of the locally taxed territory':</p>

SCHEDULE—*continued*

ENACTMENTS AMENDED—*continued*

Part I—*Amendments of Land and Income Tax Act 1954—continued*

Section Amended	Amendment
	<p>“(b) The procedure for the institution, hearing, and determination of any proceedings on objection in the High Court of the Cook Islands shall, with the necessary modifications, be in accordance with any regulations relating to proceedings before a Board of Review for the determination of an objection made under Part III of this Act as if—</p> <p>“(i) Those regulations and sections <u>18 to 20</u> of the Inland Revenue Department Amendment Act 1960 were in force in the Cook Islands; and</p> <p>“(ii) References in those regulations and those sections to a Board of Review were references to the High Court of the Cook Islands; and</p> <p>“(iii) References in those regulations and those sections to the Commissioner were references to the Collector of Inland Revenue or other appropriate revenue authority for the locally taxed territory,—</p> <p>and, subject to those regulations and those sections, or so far as they do not extend, that procedure shall be in accordance with the ordinary practice of that Court. The Court shall for the purpose of hearing and determining an objection, whatever the amount involved, have all the powers vested in it in its ordinary civil jurisdiction as if in an action between the objecting taxpayer and the Collector of Inland Revenue or other appropriate revenue authority for the locally taxed territory:</p>

SCHEDULE—*continued*ENACTMENTS AMENDED—*continued**Part I—Amendments of Land and Income Tax Act 1954—continued*

Section Amended	Amendment
Section 172k (3) (as inserted by section 15 of the Land and Income Tax Amendment Act (No. 2) 1958)	<p>“(c) <u>Section 32</u> of this Act shall not apply, but either party to an objection may, so far as the objection relates to a question of law only, appeal to the Supreme Court against the decision of the High Court of the Cook Islands on the objection, and the provisions of the Cook Islands Act 1915 shall apply to the appeal as if it were an appeal under section 157 of that Act:</p> <p>“Provided that the Collector of Inland Revenue or other appropriate revenue authority for the locally taxed territory shall not be required to give security for the payment of the costs of any such appeal.”</p>
Section 213 .....	<p>By repealing this subsection.</p> <p>By omitting the words “In all proceedings in a Magistrate’s Court on objection to an assessment of tax, and”.</p>

*Part II—Amendments of Income Tax Assessment Act 1957*

Section Amended	Amendment
Section 28 (5A) (as inserted by section 43 of the Land and Income Tax Amendment Act 1959)	By omitting the words “section forty-three”, and substituting the words <u>“section 33”</u> .
Section 57 (2A) (as inserted by section 48 of the Land and Income Tax Amendment Act 1959)	By omitting the words “section forty-three”, and substituting the words <u>“section 33”</u> .