

LAND AND INCOME TAX (ANNUAL) BILL.

EXPLANATORY MEMORANDUM.

EXCEPT with respect to paragraph 3 of Part II of the Schedule, this Bill is in the same terms as the annual taxing Act passed last session.

The paragraph above referred to fixes the rates of income tax payable on income derived otherwise than from debentures.

In last year's Act the minimum tax on such income was fixed at 7d. in the £1, and the maximum tax at 4s. 6d. in the £1. Between these extremes a graduated scale, increased for every £1 of income, was fixed. The present Bill preserves the same limits of 7d. and 4s. 6d. respectively, but provides a series of finer gradations in the scale between those limits.

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

*House of Representatives,
9th September, 1927.*

Hon. Mr. Downie Stewart.

LAND AND INCOME TAX (ANNUAL).

ANALYSIS.

Title.		Income-tax.
1. Short Title.		
	<i>Land-tax.</i>	
2. Rates of land-tax for year commencing 1st April, 1927.		3. Rates of income-tax for year commencing 1st April, 1927. Schedule.

A BILL INTITULED

AN ACT to fix the Rates of Land-tax and Income-tax for the Year commencing on the First Day of April, Nineteen hundred and twenty-seven. Title.

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

1. This Act may be cited as the Land and Income Tax (Annual) Act, 1927, and shall be read together with and deemed part of the
10 Land and Income Tax Act, 1923. Short Title

Land-tax.

2. For the year commencing on the first day of April, nineteen hundred and twenty-seven, land-tax shall be assessed, levied, and paid, pursuant to Part V of the Land and Income Tax Act, 1923,
15 at the rates specified in Part I of the Schedule hereto. Rates of land-tax
for year commencing
1st April, 1927.

Income-tax.

3. For the year commencing on the first day of April, nineteen hundred and twenty-seven, income-tax shall be assessed, levied, and paid, pursuant to Part VI of the Land and Income Tax Act, 1923,
20 at the rates specified in Part II of the Schedule hereto. Rates of income-tax
for year commencing
1st April, 1927.

Schedule.

SCHEDULE.

RATES OF LAND-TAX AND INCOME-TAX FOR THE YEAR COMMENCING ON THE
1ST APRIL, 1927.

Part I.—Land-tax.

1. WHERE the unimproved value on which land-tax is payable does not exceed £1,000, the rate of land-tax shall, save as otherwise provided in this Part of this Schedule, be 1d. for every £1 thereof.

2. Where the unimproved value on which land-tax is payable exceeds £1,000, the rate of land-tax shall, save as otherwise provided in this Part of this Schedule, be 1d. for every £1 thereof, increased by $\frac{1}{20,000}$ d. for every £1 in excess of £1,000, but so as not to exceed in any case the rate of $7\frac{1}{2}$ d. in the £1.

3. From the land-tax computed in accordance with the foregoing provisions of this Part of this Schedule there shall in every case be deducted an amount equal to 5 per centum thereof.

Part II.—Income-tax.

1923, No. 27, s. 6

1. (1) On income assessable under subsection (3) of section 116 of the Land and Income Tax Act, 1923, and derived from debentures issued before 28th August, 1923, the rate of income-tax shall be 3s. for every £1 thereof.

(2) On income assessable under subsection (3) of section 116 of the Land and Income Tax Act, 1923, and derived from debentures issued on or after the said 28th August, 1923, the rate of income-tax shall be 4s. 6d. for every £1 thereof.

2. (1) On income assessable under subsection (3) of section 118 of the Land and Income Tax Act, 1923, and derived from debentures issued before 28th August, 1923, the rate of income-tax shall be 2s. 6d. for every £1 thereof.

(2) On income assessable under subsection (3) of section 118 of the Land and Income Tax Act, 1923, and derived from debentures issued on or after the said 28th August, 1923, the rate of income-tax shall be 4s. 6d. for every £1 thereof.

3. On all income not included within the two last preceding clauses the rates of income-tax shall, save as otherwise provided in this Part of this Schedule, be as follows:—

(a) Where the income on which tax is payable does not exceed £300, the rate shall be 7d. for every £1 thereof.

(b) Where such income exceeds £300 but does not exceed £1,500, the rate shall be 7d. for every £1 thereof, increased by $\frac{1}{100}$ d. for every £1 in excess of £300.

(c) Where such income exceeds £1,500 but does not exceed £3,900, the rate shall be 1s. 7d. for every £1 thereof, increased by $\frac{3}{400}$ d. for every £1 in excess of £1,500.

(d) Where such income exceeds £3,900 but does not exceed £5,900, the rate shall be 3s. 1d. for every £1 thereof, increased by $\frac{1}{200}$ d. for every £1 in excess of £3,900.

(e) Where such income exceeds £5,900, the rate shall be 3s. 11d. for every £1 thereof, increased by $\frac{1}{400}$ d. for every £1 in excess of £5,900, but so as not to exceed in any case the rate of 4s. 6d. in the £1.

4. The income-tax payable by any taxpayer as hereinbefore provided shall be reduced by 10 per centum of so much thereof as is levied in respect of earned income:

Provided that if the earned income of a taxpayer for any year exceeds £2,000 the reduction provided for by this clause shall be made only in respect of the sum of £2,000.