

RATES REBATE AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Rates Rebate Act 1973

The effect of the rates rebate scheme has been adversely affected by inflation. The income limits of the scheme have not kept pace with changes in the value of money. The result has been that those on lower incomes have seen the value of the scheme eroded and have suffered hardship as a consequence. The Bill remedies that problem by indexing the income limits for the scheme to the annual married rate of the superannuation benefit. Since superannuation is adjusted twice annually for inflation by reference to quarterly employment surveys, the protection offered by the rates rebate scheme will also automatically rise without any action being required by government to alter the legislation. The 1978 Amendment Act imposed a limit of \$200 on the amount of rates which could be subject to the rebate. That limit is removed by this Bill.

Clause 1 relates to the short title and commencement of the Bill. The Bill will come into force at the beginning of the next financial year.

Clause 2 links the amount of protection offered by the rates rebate scheme to married rate for national superannuation for that year. The effect of the provision is to increase the income limit for the scheme by the amount of annual increases in superannuation. That will have the effect of providing a built-in insulation against inflation. Since 1978 the maximum amount of rates which could be subject to the scheme has been \$200. That limit is removed by the provision.

Hon. Mr Bailey

RATES REBATE AMENDMENT BILL

ANALYSIS

Title	
1. Short Title and commencement	2. Rates rebate

An Act to amend the Rates Rebate Act 1973

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

- 5 **1. Short Title and commencement**—(1) This Act may be cited as the Rates Rebate Amendment Act 1980 and shall be read together with and deemed part of the Rates Rebate Act 1973 (hereinafter referred to as the principal Act).
- 10 (2) This Act shall come into force on the 1st day of April 1981.

- 15 **2. Rates rebate**—Section 3 of the principal Act is hereby amended by repealing subsection (1) (as inserted by the section 3 of the Rates Rebate Amendment Act 1978) and substituting the following subsection:
- 20 “(1) Any ratepayer who, at the commencement of the rating year in respect of which the application is made, was the occupier of any residential property shall be entitled, on making application therefor in accordance with this Act, to a rebate of so much of the rates payable for that rating year in respect of the property as represents—
- “(a) Two-thirds of the amount by which those rates exceed \$50, reduced by:

“(b) \$1 for each \$8 by which the ratepayer’s income for the immediately preceding rating year exceeded the amount of the married rate for national superannuation for that year as determined under the Social Security Act 1964, that last mentioned amount being increased by \$156 in respect of each person who was a dependent of the ratepayer at the commencement of the rating year in respect of which the application is made.” 5