

STAMP DUTIES AMENDMENT BILL

EXPLANATORY NOTE

This Bill amends the Stamp Duties Act 1954 so as to exempt new houses from the payment of *ad valorem* stamp duty when they are purchased for the first time before they have been lived in.

In such cases conveyance duty is to be charged only on the unimproved value of the land, if the house is a dwellinghouse for one family only, and there are no other improvements on the land apart from the house and its appurtenances.

A similar concession is to be granted by way of exemption from the conveyance duty payable on a house acquired pursuant to a lease, where the same conditions exist.

Only one concession is to be granted in respect of any one house.

The Bill is to apply retrospectively to sales and leases made on or after 1 February 1955.

Hon. Mr Watts

STAMP DUTIES AMENDMENT

ANALYSIS

Title.
1. Short Title and commencement.

2. Reduction of duty on first conveyance of land with new dwellinghouse.
3. Exemption from duty on first conveyance of new dwellinghouse under a lease.

A BILL INTITULED

AN ACT to amend the Stamp Duties Act 1954. Title.

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

1. (1) This Act may be cited as the Stamp Duties Amendment Act 1955, and shall be read together with and deemed part of the Stamp Duties Act 1954 (hereinafter referred to as the principal Act). Short Title and commencement.
1954, No. 52

10 (2) This Act shall be deemed to have come into force on the first day of February, nineteen hundred and fifty-five.

2. The principal Act is hereby amended by inserting, after section seventy-seven, the following section: Reduction of duty on first conveyance of land with new dwellinghouse.

15 "77A. (1) In this section,—
"Date of the sale', in relation to any sale, means the date of the execution of the instrument or earliest instrument of agreement of sale or, where

there is no instrument of agreement of sale, means the date of the execution of the instrument of conveyance:

“‘Dwellinghouse’ means a building erected solely as a residence for one family, and includes a dwellinghouse together with any appurtenances belonging thereto or usually enjoyed therewith. 5

“(2) Where land on which a single dwellinghouse has been erected, or land together with the right to require a single dwellinghouse to be erected thereon is conveyed for valuable consideration, the conveyance duty otherwise payable on the instrument of conveyance (after making any deduction that may be required by section seventy-seven of this Act) shall, where necessary, be reduced so as not to exceed conveyance duty computed on the unimproved value of the land, if the Commissioner or a District Commissioner is satisfied— 10 15

“(a) That the dwellinghouse (if erected) has not been lived in before the date of the sale;

“(b) That apart from the dwellinghouse, whether erected or partially erected, no other substantial improvements have been erected on or made to the land; and 20

“(c) That a concession under this section or under section one hundred and seven^A of this Act has not previously been granted in respect of that dwellinghouse or the right to require that dwellinghouse to be erected. 25

“(3) This section shall apply only where the date of the sale is the first day of February, nineteen hundred and fifty-five, or any later date.” 30

Exemption
from duty on
first conveyance
of new
dwellinghouse
under a lease.

3. The principal Act is hereby amended by inserting, after section one hundred and seven, the following section:

“107A. (1) In this section,—

“‘Date of the lease’, in relation to any lease, means the date of the execution of the instrument of agreement for a lease or, where there is no instrument of agreement for a lease, means the date of the execution of the lease: 35

“‘Dwellinghouse’ means a building erected solely as a residence for one family, and includes a dwellinghouse together with any appurtenances belonging thereto or usually enjoyed therewith. 40

- “(2) Where land is leased on the condition that the lessee shall acquire for valuable consideration other than rent a single dwellinghouse erected on the land or shall so acquire the right to require a single dwellinghouse to be erected on the land, the conveyance duty otherwise payable on the lease in respect of that consideration shall not be payable if the Commissioner or a District Commissioner is satisfied—
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- 10 “(a) That the dwellinghouse (if erected) has not been lived in before the date of the lease;
- “(b) That apart from the dwellinghouse, whether erected or partially erected, no other substantial improvements have been erected on or made to the land; and
- 15 “(c) That a concession under this section or under section seventy-seven A of this Act has not previously been granted in respect of that dwellinghouse or the right to require that dwellinghouse to be erected.
- 20 “(3) This section shall apply only where the date of the lease is the first day of February, nineteen hundred and fifty-five, or any later date.”