

## STAMP DUTIES AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill amends the Stamp Duties Act 1954.

*Clause 1* relates to the Short Title and commencement of the Bill. The Bill is to come into force on the day after the date of its passing and is to apply to all instruments executed on and after that day.

*Clause 2* makes it clear that the references to the Commissioner in sections 60 (1) and 168 (1) include a District Commissioner.

*Clause 3* reduces the general rate of *ad valorem* stamp duty on conveyances from 11s. per £50 to 10s. per £50. The special rate of *ad valorem* stamp duty on transfers of mortgages, debentures, money payable, things in action, and interests in trust funds is adjusted so that, instead of being 5s. 6d. per £100, it will be 3s. 6d. per £50 where the value on which duty is computed exceeds £20 and 1s. 3d. where that value does not exceed £20.

*Clause 4* abolishes stamp duty on assignments of money in respect of the supply of milk, cream, or other dairy produce to a factory.

*Clause 5* exempts from conveyance duty any instrument whereby the manager of a unit trust buys back an interest therein, to the extent to which that interest is transferred to a purchaser or extinguished within three months thereafter.

*Clause 6* repeals section 89 of the principal Act, which permitted an assignment of a debt or money not exceeding £50 to be stamped with an adhesive stamp. This provision coupled with other provisions in the Bill will result in adhesive stamps ceasing to be a means of paying stamp duty except in the occasional case where the 2d. duty on bills of exchange and promissory notes is paid by an adhesive stamp.

*Clause 7* abolishes *ad valorem* stamp duty on bills of exchange and promissory notes not payable on demand, and leaves them liable to the fixed duty of 2d. that is payable on other bills of exchange and promissory notes.

*Clause 8* extends the scope of the provisions which authorise the commutation of stamp duty on bills of exchange and promissory notes.

*Clauses 9 and 10* provide that all agreements, except partnership agreements, which under the existing law would attract stamp duty of 1s. 3d. shall be exempt from stamp duty altogether. *Clause 10* provides that partnership agreements shall be subject to a fixed duty of 15s., whether they are by deed or not.

*Clause 11* provides that instruments of guarantee which at present attract a stamp duty of 3s. shall be exempt from all stamp duty.

*Clause 12* provides that where any person or persons dispose by raffle or chance of any real or personal property of a value in excess of £500 without obtaining a licence under section 42 of the Gaming Act 1908 authorising that disposal, lottery duty shall be payable as if a licence had been obtained.

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*Hon. Mr Lake*

## STAMP DUTIES AMENDMENT

### ANALYSIS

Title	
1. Short Title and commencement	7. Duty on bills of exchange and promissory notes payable otherwise than on demand
2. Authority of District Commissioner to act for Commissioner	8. Extending commutation of stamp duty on bills of exchange and promissory notes
3. Rates of duty on conveyances	9. Abolition of duty on agreements otherwise than by deed
4. Abolition of duty on assignments of money in respect of supply of milk, etc.	10. Duty on partnership agreements
5. Exemption from conveyance duty where interest in a unit trust is bought back by manager	11. Abolishing duty on instruments of guarantee
6. Assignment of debt or money not exceeding £50	12. Duty on unlicensed lotteries

### A BILL INTITULED

#### An Act to amend the Stamp Duties Act 1954

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

1. **Short Title and commencement**—(1) This Act may be cited as the Stamp Duties Amendment Act 1961, and shall be read together with and deemed part of the Stamp Duties Act 1954 (hereinafter referred to as the principal Act).
- 10 (2) This Act shall come into force on the day after the date of its passing, and, with respect to stamp duty, shall apply to all instruments that are executed on or after that day.

**2. Authority of District Commissioner to act for Commissioner**—The principal Act is hereby amended by inserting, after the word “Commissioner” where it appears in subsection (1) of section 60 and also where it appears in subsection (1) of section 168, the words “or a District Commissioner”.

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**3. Rates of duty on conveyances**—The principal Act is hereby amended—

(a) By omitting from paragraph (a) of section 66 the words “eleven shillings”, and substituting the words “ten shillings”:

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(b) By omitting from paragraph (b) of section 66 the words “five shillings and sixpence for every one hundred pounds or fractional part of one hundred pounds”, and substituting the words “three shillings and sixpence for every fifty pounds or fractional part of fifty pounds in cases where the value on which duty is computed exceeds twenty pounds, and one shilling and threepence in cases where the value on which duty is computed does not exceed twenty pounds”:

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(c) By omitting from subsection (1) of section 91 the words “eleven shillings”, and substituting the words “ten shillings”.

**4. Abolition of duty on assignments of money in respect of supply of milk, etc.**—(1) Section 67 of the principal Act is hereby repealed.

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(2) Section 69 of the principal Act is hereby amended by adding the following paragraph:

“(o) A transfer of money payable or to become payable in respect of the supply of milk, cream, or other dairy produce to a factory.”

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(3) All duty on transfers of money payable or to become payable in respect of the supply of milk, cream, or other dairy produce to a factory, being transfers executed before the date of the commencement of this Act, and all penalties incurred in respect thereof, shall be recovered and enforced in the same manner as they would if subsections (1) and (2) of this section had not been passed.

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**5. Exemption from conveyance duty where interest in a unit trust is bought back by manager**—Section 69 of the principal Act, as amended by subsection (2) of section 4 of this Act, is hereby further amended by adding the following paragraph:

“(p) An instrument whereby the manager of a unit trust within the meaning of the Unit Trusts Act 1960 buys back an interest in the unit trust, to the extent to which that interest—

10       “(i) Is transferred to a purchaser or purchasers by an instrument executed within three months thereafter; or

      “(ii) Is, within that period, extinguished with a proportionate reduction of the trust property.”

15   **6. Assignment of debt or money not exceeding £50**—Section 89 of the principal Act is hereby repealed.

**7. Duty on bills of exchange and promissory notes payable otherwise than on demand**—Section 121 of the principal Act is hereby amended by—

20   (a) Omitting from subsection (1) the words “payable on demand”;

      (b) Repealing subsections (2) and (3).

**8. Extending commutation of stamp duty on bills of exchange and promissory notes**—(1) Subsection (4) of section 25 121 of the principal Act is hereby amended—

      (a) By omitting the words “payable on demand”;

      (b) By omitting the words “by drawers or makers or by banks”.

30   (2) Section 125 of the principal Act is hereby amended by omitting from the proviso (as inserted by subsection (2) of section 3 of the Stamp Duties Amendment Act 1957) the words “payable on demand”.

      (3) Subsection (1) of section 3 of the Stamp Duties Amendment Act 1957 is hereby consequentially repealed.

35   **9. Abolition of duty on agreements otherwise than by deed**—(1) Section 140 of the principal Act is hereby repealed.

      (2) Section 240 of the Mining Act 1926 is hereby amended by repealing paragraph (h), and substituting the following paragraph:

“(h) No stamp duty shall be payable on any instrument of agreement to work as a tributor in any claim.”

(3) Section 10 of the Cinematograph Films Amendment Act 1934 is hereby amended by adding the following subsection:

“(6) No stamp duty shall be payable on a film-renting contract to which the provisions of this section apply.”

(4) The following enactments are hereby consequentially repealed:

(a) Section 12 of the Finance Act (No. 2) 1935:

(b) The Stamp Duties Amendment Act 1956:

(c) Subsection (2) of section 6 of the Stamp Duties Amendment Act 1957.

(5) All duty on agreements executed before the commencement of this Act, and all penalties incurred in respect thereof, shall be recovered and enforced in the same manner as they would if subsections (1) to (4) of this section had not been passed.

**10. Duty on partnership agreements**—The principal Act is hereby amended by inserting, after section 152, the following section:

“152A. (1) Every instrument whereby a partnership is constituted or dissolved or whereby the terms of a partnership are recorded or varied shall, if signed or otherwise executed by or on behalf of a partner, be deemed to be a deed for the purposes of section 151 of this Act.

“(2) In this section the term ‘partnership’ has the same meaning as in the Partnership Act 1908.”

**11. Abolishing duty on instruments of guarantee**—(1) Section 154 of the principal Act is hereby repealed.

(2) Section 151 of the principal Act, as amended by subsection (3) of section 6 of the Stamp Duties Amendment Act 1957, is hereby further amended by adding to subsection (2) the following paragraph:

“(m) Any agreement by a person to answer to another person for the debt, default, or liability of a third person.”

(3) Section 72 of the Rural Intermediate Credit Act 1927 is hereby amended by omitting from subsection (1), as inserted by section 8 of the Rural Intermediate Credit Amendment Act 1929, the word “guarantees”.

(4) Section 3 of the Stamp Duties Amendment Act 1958 is hereby consequentially repealed.

(5) All duty on instruments that were executed before the commencement of this Act and were instruments of guarantee within the meaning of section 154 of the principal Act, and all penalties incurred in respect thereof, shall be recovered and enforced in the same manner as they would if subsections (1) to (4) of this section had not been passed.

**12. Duty on unlicensed lotteries**—The principal Act is hereby amended by inserting, after section 172, the following section:

10 “172A. Where any person or persons dispose by raffle or chance of any real or personal property of a value or aggregate value in excess of five hundred pounds without obtaining a licence under section 42 of the Gaming Act 1908 authorising that disposal, then, if that section authorised the Minister of  
15 Internal Affairs to grant such a licence, lottery duty shall be levied, charged, and paid to the use of the Crown by the said person or persons as if he or they had obtained such a licence, and the provisions of section 172 of this Act shall apply accordingly.”