

STAMP DUTIES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Stamp Duties Act 1954.

Clause 1 relates to the Short Title to the Bill.

Clause 2 provides that where the initial purchaser of a newly erected flat is required to purchase an undivided share of the land, the *ad valorem* stamp duty will be assessed on the share in the unimproved value of the land only. This is an extension of the existing concession provided by section 77A of the principal Act for purchases of newly erected dwellinghouses and will operate in a similar manner. The clause is expressed to operate in respect of sales on or after 1 December 1963.

Clause 3: At present it is necessary for all instruments of transfer of shares to be presented to the Inland Revenue Department for stamping. The clause enables sharebrokers to use adhesive stamps to denote the duty in respect of transfers on sale which attract the minimum duty of 1s. 3d.

Hon. Mr Lake

STAMP DUTIES AMENDMENT

ANALYSIS

| Title | |
|---------------------------------|---|
| 1. Short Title and commencement | 2. Reduction of duty on first conveyance of share in new multiple dwellinghouse 3. Stamping of transfers of small lots of shares by sharebrokers |

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,
5 as follows:

1. Short Title and commencement—This Act may be cited as the Stamp Duties Amendment Act 1964, and shall be read together with and deemed part of the Stamp Duties Act 1954* (hereinafter referred to as the principal Act).

10 **2. Reduction of duty on first conveyance of share in new multiple dwellinghouse**—(1) The principal Act is hereby amended by inserting, after section 77A (as inserted by section 2 of the Stamp Duties Amendment Act 1955), the following section:

*1957 Reprint, Vol. 14, p. 765

Amendments: 1958, No. 10; 1960, No. 11; 1961, No. 55; 1963, No. 115

“77B. (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: 5

“‘Multiple dwellinghouse’ means a building or buildings erected solely as separate residences for each of two or more families, and includes a multiple dwellinghouse together with any appurtenances belonging thereto or usually enjoyed therewith. 10

“(2) Where an undivided share in land on which a multiple dwellinghouse has been erected, or in land together with the right to require the whole or part of a multiple 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 77 of this Act) shall, where necessary, be reduced so as not to exceed the conveyance duty computed on the unimproved value of that share, if the Commissioner or a District Commissioner is satisfied— 15 20

“(a) That the conveyance is accompanied by an agreement which gives to the purchaser a right of exclusive use and occupation of one of the separate residences in the multiple dwellinghouse and not of the other or others of them; and 25

“(b) That the separate residence (if erected) has not been lived in before the date of the sale; and

“(c) That a concession under this section or under section 77A or section 107A of this Act has not previously been granted in respect of that residence or the right to require that residence to be erected; and 30

“(d) That apart from the multiple dwellinghouse, whether erected or partially erected, no other substantial improvements have been erected on or made to the land.” 35

(2) Section 33A of the principal Act (as inserted by section 2 of the Stamp Duties Amendment Act 1960) is hereby amended by inserting, after the words “section 77A” in subsection (2), the words “section 77B”. 40

(3) This section shall be deemed to have come into force on the first day of December, nineteen hundred and sixty-three, and shall apply only where the date of the sale is that date or any later date.

5 **3. Stamping of transfers of small lots of shares by share-**
brokers—The principal Act is hereby amended by inserting,
after section 66, the following section:

10 “66A. Where shares are purchased through the agency of a
sharebroker for full consideration of a value not exceeding
either be presented for stamping by the Inland Revenue
Department in accordance with Part II of this Act or be
15 stamped with an adhesive stamp to be cancelled by that
sharebroker or any of his employees within three months
after and exclusive of the date of its execution.”