

# Supplementary Order Paper

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## HOUSE OF REPRESENTATIVES

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Tuesday, the 21st Day of November 1967

FINANCE (No. 2) BILL

*Further Amendments Proposed by His Excellency the Administrator  
of the Government*

*Clause 3A* (as proposed to be inserted by Supplementary Order Paper No. 34): To insert in paragraph (b) of subsection (1) of the proposed new section 105 of the Land and Income Tax Act 1954, after the words "In any case where the right", the words "so transferred for a period that is less than the prescribed period".

To add to paragraph (a) of the definition of the term "prescribed period" in subsection (4) of the said section 105 the following proviso:

"Provided that where the transfer or settlement includes a provision whereby the payment or application or accumulation of income shall, or may, cease upon the death of the transferor or settlor before the expiry of the period specified in the transfer or settlement, that provision shall not be taken into account for the purposes of this paragraph:

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### EXPLANATORY NOTE

The purpose of the proposed amendment to the new section 105 (1) (b) of the Land and Income Tax Act 1954 is to make it clear that this paragraph, like paragraph (a), applies only in cases where the income has been transferred for a period that is less than the "prescribed period" (which is defined in subsection (4)).

The definition of the "prescribed period" in subsection (4) includes a provision in paragraph (a) that the period must be one that cannot be less than seven years. The effect of the addition of the proviso to this paragraph will be that any provision in the transfer or settlement for the payment or application or accumulation of income to cease in the event of the death of the transferor or settlor must be disregarded for the purposes of paragraph (a).

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