

HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Wednesday, 17 September 1980

INCOME TAX AMENDMENT BILL

Proposed Amendments

Hon. Mr TEMPLETON, in Committee, to move the following amendments:

Clause 5: To omit subclause (3).

Clause 10: To add on page 9, after the new subsection (1D), the following new subsection:

“(1E) For the purposes of subsection (1D) of this section, service in any capacity of the Government of New Zealand shall be deemed to include service in the Cook Islands by any person to whom the terms and conditions of the Cook Islands-New Zealand Manpower Aid Scheme apply.”

Clause 35: To insert, after subclause (1) on page 27, the following subclause:

(1A) Section 156F (1) of the principal Act (as so inserted) is hereby further amended by repealing paragraph (b) of the definition of the expression “export-market development expenditure”, and substituting the following paragraph:

“(b) The supply, for reward, of services to which section 156B or section 156D of this Act applies; or”

To insert, after subclause (3) on page 27, the following subclause:

(3A) Section 156F (1) of the principal Act (as so inserted) is hereby further amended by omitting from paragraph (h) of the definition of the expression “prescribed outgoings” the words “outside New Zealand in relation to construction projects or courses of educational training or the furnishing of technical advice or assistance; or”, and substituting the words “to which section 156B or section 156D of this Act applies; or”.

To omit lines 36 to 39 on page 27, and substitute the following lines:

for the prospective supply of services to which section 156B or section 156D of this Act applies; or”.

Clause 35A: To insert, after clause 35, the following clause:

35A. Export of goods to new markets—(1) Section 157 (1) (b) of the principal Act is hereby amended by inserting, after the words “which has been approved by the Secretary”, the words “, following an application made by or on behalf of the taxpayer to the Secretary on or before the 31st day of December 1979.”.

(2) This section shall apply with respect to the tax on income derived in any income year commencing before or after the 31st day of December 1979.

Clause 40: To omit the proviso in lines 4 to 11 on page 34, and substitute the following proviso:

“Provided also that no deduction shall be allowed under this subsection in respect of any loss or part of a loss (being a loss or part of a loss that was incurred in any income year that commenced on or after the 1st day of April 1981), unless the company making the election and the company or companies nominated in the notice of election are included in the same group of companies for the income year in which that loss or part of a loss was incurred.”

EXPLANATORY NOTE

Clause 5: The effect of this amendment is that the increased amounts in respect of which a tax rebate is allowed for deposits in special farm ownership accounts and special fishing vessel ownership accounts are also to apply to this income year.

Clause 10 provides that persons who are employed in the Cook Islands under the Cook Islands-New Zealand Manpower Aid Scheme are to be deemed to be employed in the service of the Government of New Zealand and therefore resident in New Zealand for tax purposes.

Clause 35: These amendments widen the scope of the export-market development incentive to include all qualifying expenditure incurred in the promotion of services which qualify for the export performance incentive under section 156B or section 156D of the principal Act.

Clause 35A validates the 1979 Budget announcement regarding the termination of the new market export tax incentive scheme.

Clause 40: This is a drafting amendment to clarify the meaning of the proviso.
