

Supplementary Order Paper

HOUSE OF REPRESENTATIVES

Wednesday, the 18th Day of November 1970

LOCAL AUTHORITIES (PETROLEUM TAX) BILL

Proposed Amendments

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

Clause 2: To omit from the end of paragraph (b) of the definition of "petroleum" the word "and", in line 4 on page 3; and to omit paragraph (c) (lines 5 to 8) of the same definition.

To insert in the same definition, after paragraph (d) on page 3, the following paragraph:

(dd) Diesel fuel supplied for use as fuel for any ship being a foreign-going ship or a home-trade ship or a New Zealand fishing boat, within the meaning of the Shipping and Seamen Act 1952, but not being a pleasure yacht within the meaning of that Act; or

To insert in the same definition, after paragraph (e) on page 3, the following paragraph:

(ee) Petroleum used in the manufacture of petroleum at any refinery; or

Clause 8, subclause (1): To insert, after the words "this Act", in line 18, the words "to levy a tax"; and to add the following proviso:

Provided that no such determination shall be made to take effect before the 1st day of February 1971.

Clause 20, subclause (1): To omit the figures "21", in line 7 on page 12, and substitute the figures "28".

Clause 24, subclause (2): To omit this subclause, and substitute the following subclause:

(2) Subject to the provisions of this Act, any such debt in respect of any local authorities petroleum tax for any accounting month shall become payable by the wholesale distributor on the 20th day of the calendar month following that in which the monthly return for the accounting month is required by section 20 of this Act to be sent to the Clerk, whether or not the return is so sent.

Clause 25: To omit the words "the expiry of the time prescribed for the delivery to the Clerk of the appropriate return", in lines 38 to 40 on page 13, and substitute the words "the date on which it became payable under section 24 of this Act".

Clause 26: To omit this clause.

Clause 27, subclause (2): To insert, after the word "purposes", in line 5 on page 15, the word "of".

Clause 29, subclause (1): To omit this subclause, and substitute the following subclause:

(1) The convening local authority of any tax area may from time to time transfer to its general account from the Local Authorities Petroleum Tax Account all reasonable costs and expenses incurred by it in or about the levying, collection, recovery, application, and distribution of any local authorities petroleum tax in the tax area, and a reasonable remuneration for clerical and other work done in the administration of this Act within the tax area. If any dispute arises as to any amount so transferred or to be transferred or otherwise in relation thereto it shall be decided by the Audit Office, whose decision shall be final.

Clause 30: To omit this clause.

Clause 32: To insert, after the words "section 7" in line 36, the words "or section 9".

Clause 33: To insert, after the words "section 7", in lines 4 and 5, the words "or section 9".

First Schedule: To omit this Schedule, and substitute the following Schedule:

FIRST SCHEDULE				<u>Sections 4 (2), 7 (1)</u>
SCALES OF LOCAL AUTHORITIES PETROLEUM TAX				
	Scale		Motor Spirits Per Gallon	Diesel Fuel Per Gallon
A	3 cents	1.5 cents
B	2 cents	1 cent
C	1 cent	0.5 cent

Third Schedule: To omit this Schedule, and substitute the following Schedule:

THIRD SCHEDULE	<u>Section 10 (a)</u>
NOTICE OF IMPOSITION OR ALTERATION OF LOCAL AUTHORITIES PETROLEUM TAX	

In accordance with a decision made under section 7 [or section 9] of the Local Authorities (Petroleum Tax) Act 1970, a local authorities petroleum tax will be levied on the following scale with effect on and after [*State effective date*] and within the tax area consisting of [*State names of cities, boroughs, counties, county boroughs, and independent town districts within the tax area*].

Scale

Motor Spirits Per Gallon	Diesel Fuel Per Gallon
*3 cents	1.5 cents
*2 cents	1 cent
*1 cent	0.5 cent

Dated this day of 19 .

Clerk [*Or other principal executive officer*] of [*Name of local authority*],
convening local authority of tax area.

*NOTE—Set out only 1 scale, whichever is applicable in accordance with determination.

EXPLANATORY NOTE

Clause 2: The amendment to paragraph (b) of the definition of petroleum, and the omission of paragraph (c) of the definition, has the effect of excluding "other fuel oil" from the definition. The result will be that the tax will be payable only on motor spirits and diesel fuel.

The effect of the proposed new paragraph (dd) is to exempt from the tax any diesel fuel supplied for use as fuel for overseas ships, coastal ships, and registered fishing boats, but not for pleasure boats. (Overseas ships had previously been dealt with in *clause 30* of the Bill, which provides for a refund of tax paid on fuel used in overseas ships.)

The effect of the proposed new paragraph (ee) is to exempt from the tax any petroleum used in the manufacture of petroleum at a refinery.

Clause 8, subclause (1): The effect of these amendments is that no tax is to come into force before 1 February 1971.

Clause 20, subclause (1): This amendment alters from 21 days to 28 days the period (after the end of an accounting month) within which the monthly return of petroleum delivered within a tax area is to be made.

Clause 24, subclause (2): Under this subclause, as printed in the Bill, the tax becomes payable on the delivery of the monthly return within the prescribed time, or on the expiry of that time if the return is not duly delivered.

This amendment substitutes a new subclause under which the tax becomes payable on the 20th day of the calendar month following that in which the return is required to be delivered.

Clause 25: This amendment is consequential on the amendment made to *clause 24*.

Clause 26: This clause, which was adapted from the Motor Spirits Duty Act 1961, is proposed to be omitted as being unnecessary.

Clause 27: This amendment merely inserts a word omitted in the printing of the Bill.

Clause 29, subclause (1): Under this subclause, as printed in the Bill, the convening local authority may recover only the costs of services provided for the administering committee.

This amendment substitutes a new subclause under which the convening local authority will also be able to recover other costs and expenses incurred in the collection and distribution of the tax within the tax area, and a reasonable remuneration for clerical and other work done in the administration of the Act.

Clause 30: The proposed omission of this clause is consequential on the amendment made to *clause 2* exempting diesel fuel used for ships from the definition of petroleum.

Clauses 32 and 33: These are drafting amendments, to ensure that the clauses apply to a meeting for the purposes of altering the scale of tax in any area as well as a meeting for the purposes of imposing the tax.

First and Third Schedules: These amendments are consequential on the exclusion of "other fuel oil" from the definition of petroleum in *clause 2*.