

## New Zealand.



### ANALYSIS.

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### 1932-33, No. 42.

Title.

AN ACT to make Provision for the Imposition and Collection of a Special Tax on Interest derived from certain existing Government and other Securities.

[9th March, 1933.]

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

Short Title.

1. This Act may be cited as the Finance Act, 1932-33.

2. (1) In this Act, unless the context otherwise requires,— Interpretation.

“Existing Government securities” means bonds, debentures, or stock charged upon the public revenues of New Zealand and issued at any time before the first day of April, nineteen hundred and thirty-three; and includes any securities that may on or after the said date be issued in replacement of any such securities:

“Existing Post Office Investment Certificates” means certificates issued at any time before the first day of April, nineteen hundred and thirty-three, under section one hundred and five of the Post and Telegraph Act, 1928, or the corresponding provisions of any former Act:

“Existing State Advances, Rural Intermediate Credit, or Land Settlement Association securities” means bonds, debentures, or other securities issued at any time before the first day of April, nineteen hundred and thirty-three, by the State Advances Superintendent, under the authority of the Rural Advances Act, 1926, or by the Rural Intermediate Credit Board, or by a land settlement association; and includes any securities that may at any time after the said date be issued in replacement of any such securities:

“Interest-tax” means the interest-tax imposed by this Act:

“Land settlement association” means a land settlement association incorporated under the Land Settlement Finance Act, 1909:

“Minister” means the Minister of Finance.

(2) For the purposes of this section the term “replacement” in relation to any securities does not include the conversion of existing securities into new securities under the New Zealand Debt Conversion Act, 1932-33, but includes the following transactions:—

(a) The issue of a stock certificate in accordance with the provisions of section forty-five of the New Zealand Loans Act, 1932:

(b) The issue of ordinary stock or other securities in exchange for inscribed stock available for the payment of death duties and issued under the

authority of section forty of the New Zealand Loans Act, 1932, or the corresponding provisions of any former Act :

- (c) The issue pursuant to any authority of any securities in lieu of any existing securities, or in lieu of any securities that have been lost or destroyed, without alteration of the terms on which the original securities were issued.

Act to bind the Crown.

3. This Act shall bind the Crown.

Application of this Act.

4. (1) This Act shall apply with respect only to the following classes of securities, namely :—

- (a) Existing Government securities bearing interest at a rate in excess of four per centum per annum if the place fixed either for the payment of interest or the repayment of principal as at the first day of April, nineteen hundred and thirty-three, is in New Zealand, or is at any time after that date changed to a place in New Zealand :

- (b) Existing State Advances, Rural Intermediate Credit, or Land Settlement Association securities, if the place fixed either for the payment of interest or the repayment of principal, as at the first day of April, nineteen hundred and thirty-three, is in New Zealand, or is at any time after that date changed to a place in New Zealand :

- (c) Existing Post Office Investment Certificates.

(2) Interest-tax shall be levied, collected, and paid in accordance with the following provisions of this Act in respect of interest derived from securities of any of the classes hereinbefore specified.

#### *Government Securities.*

Rate of interest-tax on existing Government securities.

5. Interest-tax at the rate of thirty-three and one-third per centum thereof shall be charged on all interest accruing on existing Government securities to which this Act applies in accordance with the following provisions, namely :—

- (a) In the case of such securities in respect of which the place for the payment of interest or the repayment of principal, as at the first day of April, nineteen hundred and thirty-three, is in New Zealand, interest-tax shall be payable on all interest that accrues thereon on or after the said date :

- (b) In the case of such securities in respect of which the place for the payment of interest or the repayment of principal is changed after the said date to a place in New Zealand, interest-tax shall be payable on all interest paid thereon on or after the date on which such change is made.

*State Advances, Rural Intermediate Credit, and Land Settlement Association Securities.*

6. Interest-tax at the rate of twenty per centum thereof shall be charged on all interest accruing on existing State Advances, Rural Intermediate Credit, and Land Settlement Association securities to which this Act applies, in accordance with the following provisions, namely:—

Rate of interest-tax on existing State Advances and other specified securities.

- (a) In the case of such securities in respect of which the place for the payment of interest or the repayment of principal as at the first day of April, nineteen hundred and thirty-three, is in New Zealand, interest-tax shall be payable on all interest that accrues thereon on or after the said date:

- (b) In the case of such securities in respect of which the place for the payment of interest or the repayment of principal is after the said date changed to a place in New Zealand, interest-tax shall be payable on all interest paid thereon on or after the date on which such change is made.

7. The net amount received by way of interest-tax in respect of securities issued by the State Advances Superintendent, or the Rural Intermediate Credit Board, or any land settlement association, after the deduction of such amount, not exceeding five per centum thereof, as the Minister directs in respect of administrative expenses, shall, without further appropriation than this section, be paid to the Superintendent, Board, or association, as the case may be, to the credit of the account out of which the interest on such securities is payable.

Authorities paying interest to receive net interest-tax thereon.

*Post Office Investment Certificates.*

8. Upon the redemption of any existing Post Office Investment Certificate that matures in any month of maturity specified in Part I or Part II of the Schedule

Interest-tax payable on redemption of existing certificates.

hereto, the appropriate amount of interest-tax (if any) specified in the said Schedule shall be payable by the person who presents the certificate for redemption.

*Miscellaneous.*

Method of  
collecting  
interest-tax.

**9.** Subject to any regulations that may be made under this Act, or, in default of any such regulations and so far as they do not extend, then subject to the directions of the Minister, interest-tax may either be deducted from the interest in respect of which it is payable or be denoted by adhesive stamps, which shall be affixed to the receipt for such interest and shall be cancelled by the person receiving such interest.

Special  
exemption for  
purposes of  
income-tax.

**10.** The amount paid by any person as interest-tax in any year in respect of interest included in his assessable income shall be deductible by way of special exemption under the Land and Income Tax Act, 1923, from the assessable income of such person for that year, and the amount paid by any banking company as interest-tax in any year in respect of interest that is not exempt from income-tax shall be deductible from the taxable income of that company for that year, as computed in accordance with section ninety-one of the said Act, or in accordance with any section passed in substitution for that section.

Exemption from  
stamp duty  
under Part IV  
of National  
Expenditure  
Adjustment  
Act of interest  
subject to  
interest-tax.  
Regulations.

**11.** Nothing in Part IV of the National Expenditure Adjustment Act, 1932, shall apply with respect to any interest on which interest-tax is payable under this Act.

**12.** The Governor-General may from time to time, by Order in Council, make all such regulations as may be deemed necessary for the purpose of giving full effect to the provisions of this Act.

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## SCHEDULE.

Schedule.

## AMOUNTS OF INTEREST-TAX PAYABLE ON POST OFFICE INVESTMENT CERTIFICATES.

*Part I.—Certificates issued before 1st August, 1931.*

## FIVE-YEAR CERTIFICATES.

Month of Maturity.	Amount of Interest-tax.		
	Nominal Value, £100.	Nominal Value, £10.	Nominal Value, £1.
1933.	£ s. d.	£ s. d.	£ s. d.
May .. ..	0 1 8	0 0 2	..
June .. ..	0 3 4	0 0 4	..
July .. ..	0 5 0	0 0 6	0 0 1
August .. ..	0 6 8	0 0 8	0 0 1
September .. ..	0 8 4	0 0 10	0 0 1
October .. ..	0 10 0	0 1 0	0 0 1
November .. ..	0 11 8	0 1 2	0 0 1
December .. ..	0 13 4	0 1 4	0 0 2
1934.			
January .. ..	0 15 0	0 1 6	0 0 2
February .. ..	0 16 8	0 1 8	0 0 2
March .. ..	0 18 4	0 1 10	0 0 2
April .. ..	0 19 11	0 2 0	0 0 2
May .. ..	1 1 7	0 2 2	0 0 3
June .. ..	1 3 3	0 2 4	0 0 3
July .. ..	1 4 11	0 2 6	0 0 3
August .. ..	1 6 7	0 2 8	0 0 3
September .. ..	1 8 2	0 2 10	0 0 3
October .. ..	1 9 10	0 3 0	0 0 4
November .. ..	1 11 6	0 3 2	0 0 4
December .. ..	1 13 2	0 3 4	0 0 4
1935.			
January .. ..	1 14 9	0 3 6	0 0 4
February .. ..	1 16 5	0 3 8	0 0 4
March .. ..	1 18 1	0 3 10	0 0 5
April .. ..	1 19 8	0 4 0	0 0 5
May .. ..	2 1 4	0 4 2	0 0 5
June .. ..	2 3 0	0 4 4	0 0 5
July .. ..	2 4 7	0 4 6	0 0 5
August .. ..	2 6 3	0 4 8	0 0 6
September .. ..	2 7 10	0 4 9	0 0 6
October .. ..	2 9 6	0 4 11	0 0 6
November .. ..	2 11 2	0 5 1	0 0 6
December .. ..	2 12 9	0 5 3	0 0 6
1936.			
January .. ..	2 14 5	0 5 5	0 0 7
February .. ..	2 16 0	0 5 7	0 0 7
March .. ..	2 17 8	0 5 9	0 0 7
April .. ..	2 19 3	0 5 11	0 0 7
May .. ..	3 0 11	0 6 1	0 0 7
June .. ..	3 2 6	0 6 3	0 0 8
July .. ..	3 4 1	0 6 5	0 0 8

## TWO-YEAR CERTIFICATES.

Month of Maturity.		Amount of Interest-tax.		
		Nominal Value, £100.	Nominal Value, £10.	Nominal Value, £1.
	1933.	£ s. d.	£ s. d.	£ s. d.
May	.. ..	0 1 7	0 0 2	..
June	.. ..	0 3 2	0 0 4	..
July	.. ..	0 4 9	0 0 6	0 0 1

*Part II.—Certificates issued on or after 1st August, 1931.*

## FIVE-YEAR CERTIFICATES.

Month of Maturity.		Amount of Interest-tax.		
		Nominal Value, £100.	Nominal Value, £10.	Nominal Value, £1.
	1936.	£ s. d.	£ s. d.	£ s. d.
August	.. ..	3 2 9	0 6 3	0 0 8
September	.. ..	3 4 4	0 6 5	0 0 8
October	.. ..	3 5 11	0 6 7	0 0 8
November	.. ..	3 7 5	0 6 9	0 0 8
December	.. ..	3 9 0	0 6 11	0 0 8
	1937.			
January	.. ..	3 10 6	0 7 1	0 0 8
February	.. ..	3 12 0	0 7 2	0 0 9
March	.. ..	3 13 7	0 7 4	0 0 9
April	.. ..	3 15 1	0 7 6	0 0 9
May	.. ..	3 16 8	0 7 8	0 0 9
June	.. ..	3 18 2	0 7 10	0 0 9
July	.. ..	3 19 8	0 8 0	0 0 10
August	.. ..	4 1 3	0 8 1	0 0 10
September	.. ..	4 2 9	0 8 3	0 0 10
October	.. ..	4 4 4	0 8 5	0 0 10
November	.. ..	4 5 10	0 8 7	0 0 10
December	.. ..	4 7 4	0 8 9	0 0 10
	1938.			
January	.. ..	4 8 10	0 8 11	0 0 11
February	.. ..	4 10 5	0 9 0	0 0 11
March	.. ..	4 11 11	0 9 2	0 0 11

## TWO-YEAR CERTIFICATES.

Month of Maturity.	Amount of Interest-tax.		
	Nominal Value, £100.	Nominal Value, £10.	Nominal Value, £1.
1933.	£ s. d.	£ s. d.	£ s. d.
August .. ..	0 4 9	0 0 6	0 0 1
September .. ..	0 6 0	0 0 7	0 0 1
October .. ..	0 7 2	0 0 9	0 0 1
November .. ..	0 8 4	0 0 10	0 0 1
December .. ..	0 9 7	0 0 11	0 0 1
1934.			
January .. ..	0 10 9	0 1 1	0 0 1
February .. ..	0 11 11	0 1 2	0 0 1
March .. ..	0 13 2	0 1 4	0 0 2
April .. ..	0 14 4	0 1 5	0 0 2
May .. ..	0 15 6	0 1 7	0 0 2
June .. ..	0 16 8	0 1 8	0 0 2
July .. ..	0 17 11	0 1 9	0 0 2
August .. ..	0 19 1	0 1 11	0 0 2
September .. ..	1 0 3	0 2 0	0 0 2
October .. ..	1 1 5	0 2 2	0 0 3
November .. ..	1 2 7	0 2 3	0 0 3
December .. ..	1 3 10	0 2 5	0 0 3
1935.			
January .. ..	1 5 0	0 2 6	0 0 3
February .. ..	1 6 2	0 2 7	0 0 3
March .. ..	1 7 4	0 2 9	0 0 3