

## New Zealand.



### ANALYSIS.

- |  |  |
|--|--|
| <p>Title.</p> <ol style="list-style-type: none"> <li>1. Short Title.</li> <li>2. Increased special exemption for purposes of land-tax to be deductible from unimproved value of mortgaged lands.</li> <li>3. As to two or more companies consisting of substantially the same shareholders.</li> <li>4. Lessee of Native land to be liable for payment of tax on behalf of Native owner.</li> <li>5. Special exemptions in respect of insurance premiums to be calculated with respect to assessable income.</li> <li>6. Section 73 of principal Act amended.</li> <li>7. Increases in valuations on reconstruction of company to be included in profits.</li> </ol> | <ol style="list-style-type: none"> <li>8. Assessment of moneys received by employees on retirement by way of bonus or retiring-allowance.</li> <li>9. Income derived from lands held as small grazing-runs or for pastoral purposes to be assessable for income-tax. Occupiers of pastoral runs or small grazing-runs (being liable to income-tax as herein provided) to be exempt from land-tax in respect thereof.</li> <li>10. Definition of term "capital value" for purposes of section 83 of principal Act (relating to special exemptions in respect of income derived from use of land).</li> <li>11. Unpaid land-tax to constitute a charge on land.</li> </ol> |
|--|--|

### 1924, No. 22.

Title.

AN ACT to amend the Land and Income Tax Act, 1923.

[11th October, 1924.]

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 Land and Income Tax Amendment Act, 1924, and shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter referred to as the principal Act).

Increased special exemption for purposes of land-tax to be deductible from unimproved value of mortgaged lands.

2. Section forty-nine of the principal Act is hereby amended by repealing paragraphs (a) and (b) of subsection two, and substituting the following paragraphs:—

“(a.) Where the total unimproved value aforesaid does not exceed ten thousand pounds, the sum of ten thousand pounds; or

“(b.) Where the total unimproved value aforesaid exceeds ten thousand pounds, the sum of ten thousand pounds diminished at the rate of two pounds for every one pound of that excess, so as to leave no deduction under this paragraph when that value amounts to or exceeds fifteen thousand pounds.”

3. Section fifty-eight of the principal Act is hereby amended by inserting, after the words "shareholders in the other" in subsection two, the words "or if not less than one-half in nominal value of the allotted shares in each of them is held by or on behalf of shareholders in the other."

As to two or more companies consisting of substantially the same shareholders.

4. Section seventy-one of the principal Act (relating to land-tax on Native land) is hereby amended by omitting from subsection four thereof the words "the occupier of the land," and substituting the words "any owner of a leasehold estate or interest in the land."

Lessee of Native land to be liable for payment of tax on behalf of Native owner.

5. Section seventy-seven of the principal Act is hereby amended by inserting, before the words "earned income" in subsection three, the word "assessable"; and by omitting from the said subsection the words "that income," and substituting the words "the assessable income."

Special exemptions in respect of insurance premiums to be calculated with respect to assessable income.

6. Section seventy-eight of the principal Act is hereby amended by adding to paragraph (f) the following words: "or from any other pension granted in Great Britain or within the British dominions in respect of the Great War."

Section 78 of principal Act amended.

7. Section seventy-nine of the principal Act is hereby amended by adding to paragraph (a) the words "(including any increase in the value of stock in hand at the time of the transfer or sale of the business, or on the reconstruction of a company)."

Increases in valuations on reconstruction of company to be included in profits

8. Section seventy-nine of the principal Act is hereby further amended by adding to paragraph (b) the following proviso:—

Assessment of moneys received by employees on retirement by way of bonus or retiring-allowance.

"Provided that where any bonus, gratuity, or retiring-allowance (not being moneys paid to any director of a company pursuant to its articles of association) is paid in a lump sum in respect of the employment or service of the taxpayer on the occasion of his retirement from such employment or service only five per centum of that lump sum shall be deemed to be income."

9. (1.) Section seventy-nine of the principal Act is hereby further amended by inserting, after paragraph (d) of subsection one, the following paragraph:—

Income derived from lands held as small grazing-runs or for pastoral purposes to be assessable for income-tax.

"(dd.) All profits or gains derived from the use or occupation of any Crown land or other land administered by a Land Board and held as a small grazing-run or for pastoral purposes, or derived from the use or occupation of any other lands reserved, set apart, or granted by the Crown as endowments and occupied for pastoral purposes."

(2.) Paragraph (l) of section seventy-eight of the principal Act shall be read subject to the foregoing provisions of this section, and the said paragraph is hereby accordingly amended by omitting the words "in paragraphs (d) and (e)," and substituting the words "in paragraphs (d), (dd), and (e)."

(3.) In addition to the exemptions from land-tax provided for by section sixty-nine of the principal Act, no land-tax shall be payable in respect of any land the profits or gains derived from which are assessable for income-tax by virtue of paragraph (dd) of section seventy-nine of that Act, as amended by the foregoing provisions of this section.

Occupiers of pastoral runs or small grazing-runs (being liable to income-tax as herein provided) to be exempt from land-tax in respect thereof.

Definition of term  
"capital value"  
for purposes of  
section 83 of  
principal Act  
(relating to special  
exemptions in  
respect of income  
derived from use of  
land)

Unpaid land-tax  
to constitute  
a charge  
on land.

10. Section eighty-three of the principal Act is hereby amended by repealing subsection five, and substituting the following subsection:—

"(5.) In this section the term 'capital value' means the capital value of the taxpayer's interest in the land as appearing in the district valuation roll under the Valuation of Land Act, 1908, in force for the time being during any such period of use, exclusive, however, of the value of the interest of the taxpayer in any minerals, timber, or flax (other than the roots of flax-plants)."

11. (1.) Land-tax which has been assessed and has become due and payable in respect of any land (whether before or after the commencement of this Act) shall be a charge on the land in respect of which it is payable. Such charge shall have priority over all existing or subsequent mortgages, charges, and encumbrances (other than charges created by virtue of section forty-seven of the Workers' Compensation Act, 1922, or the corresponding provisions of the Workers' Compensation Act, 1908), and, notwithstanding any disposition of any land, it shall continue to be liable in the hands of a purchaser or other holder thereof for the payment of such tax so long as the charge remains in force.

(2.) The Commissioner may, within the time limited as hereinafter provided by this section, register any charge created by the last preceding subsection by depositing with the District Land Registrar or Registrar of Deeds, as the case may require, in the land registration district in which the land is situated a certificate under his hand referring to the land charged, and stating that there are arrears of land-tax payable in respect thereof, and the Registrar shall thereupon register such certificate accordingly. No disposition of any estate or interest in any land subject to a registered charge under this section shall be registered while such charge remains in force.

(3.) For the purpose of enforcing any charge registered under this section the Supreme Court or a Judge thereof may, on summons, make such order as he or it thinks fit, either for the sale of the estate or interest which is subject to the charge, or for the appointment of a receiver, or otherwise howsoever, and any order for sale shall be carried into effect by the Sheriff in the same manner as in the case of a writ of sale, with any modifications that may be necessary or may be provided by rules of Court in that behalf.

(4.) Notwithstanding anything to the contrary in section one hundred and forty-seven of the principal Act, the Commissioner shall have no right to recover any land-tax from any successor in title, tenant, or mortgagee mentioned in that section, unless—

(a) In the case of land-tax in respect of the payment of which default has been made before the commencement of this Act, he has within six months after the commencement of this Act registered a charge against the land pursuant to this section; or

(b) In the case of land-tax in respect of the payment of which default may be made after the commencement of this Act, he has within twelve months after the end of the year of assessment for which the land-tax is payable registered a charge against the land pursuant to this section.

(5.) Upon satisfaction of any charge registered against any land pursuant to this section, the Commissioner shall cause a release of that charge to be registered. If any charge created by this section is not registered within the time limited by paragraph (a) or paragraph (b) of the last preceding subsection, as the case may require, that charge shall lapse on the expiration of the time so limited, and shall thereupon cease to have any force or effect, and the Commissioner shall not be entitled to revive such charge by registration after the time limited as aforesaid.

(6.) Section one hundred and forty seven of the principal Act shall be read subject to the provisions of this section.