

New Zealand.

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Special exemption where taxpayer (being a married woman) supports her husband.</p> <p>3. Special exemption of widowed taxpayer in respect of person employed as housekeeper or to take charge of children for whom taxpayer receives a special exemption.</p> | <p>4. Income of sports bodies to be exempt from income-tax in certain circumstances.</p> <p>5. Premiums on pure endowment policies not included in special exemptions.</p> <p>6. Special provisions applicable to the assessment for income-tax of companies using capital borrowed out of New Zealand.</p> <p>7. Application of Act.</p> |
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1933, No. 43.

Title. AN ACT to amend the Land and Income Tax Act, 1923.
[22nd December, 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 Land and Income Tax Amendment Act, 1933, and shall be read together with and deemed part of the Land and Income Tax Act, 1923 (hereinafter referred to as the principal Act).

Special exemption where taxpayer (being a married woman) supports her husband.
Cf. 1932-33, No. 40, s. 4

2. (1) Every taxpayer, being a married woman (other than an absentee), shall, subject to the provisions of this section, be entitled in respect of her husband to a deduction by way of special exemption from her assessable income of fifty pounds, diminished at the rate of one pound for every thirty shillings of the excess of her

assessable income over seven hundred and twenty-five pounds, so as to leave no deduction under this section when the yearly assessable income amounts to or exceeds eight hundred pounds.

(2) No exemption shall be allowed under this section in respect of a husband whose income in his own right derived from all sources in the income year amounted to or exceeded fifty pounds, or who in fact has not during the income year been supported by his wife.

(3) In the case of a taxpayer who is married during the income year or whose marriage is terminated during the income year by the death of her husband or otherwise, the exemption to which she would be entitled under this section if her marriage had subsisted throughout the income year shall be reduced by one-twelfth for every month or part of a month during which the marriage was not subsisting.

3. (1) For the purposes of this section the term "housekeeper" means a woman who is employed by a widow or widower to have the care and management of the home of her employer, or who is employed, either in the home or elsewhere, to have the care and control of any child or children in respect of whom the employer is entitled to a special exemption under section seventy-five of the principal Act.

(2) Every taxpayer, being a widow or widower (other than an absentee), shall, subject to the provisions of this section, be entitled in respect of a housekeeper, as hereinbefore defined, to a deduction by way of special exemption from his or her assessable income of fifty pounds, diminished at the rate of one pound for every thirty shillings of the excess of his or her assessable income over seven hundred and twenty-five pounds, so as to leave no deduction under this section when the yearly assessable income amounts to or exceeds eight hundred pounds:

Provided that in no case shall the special exemption allowed under this section in respect of any year exceed the aggregate amount paid by the taxpayer during that year by way of salary or wages to a housekeeper or housekeepers.

(3) Where a housekeeper as hereinbefore defined is employed by the taxpayer during part only of the

Special exemption of widowed taxpayer in respect of person employed as housekeeper or to take charge of children for whom taxpayer receives a special exemption.

income year, the exemption to which the taxpayer would otherwise be entitled under this section shall be reduced by one-twelfth for every month or part of a month during which a housekeeper was not so employed.

Income of sports
bodies to be
exempt from
income-tax in
certain
circumstances.

4. Section seventy-eight of the principal Act is hereby amended by inserting, after paragraph (k), the following new paragraph :—

“(kk) Income derived by any society or association of persons, whether corporate or unincorporate, established for the purpose of promoting any game or sport (other than horse-racing or trotting), if such game or sport is conducted for the recreation or entertainment of the general public, if no person participating in such game or sport receives any payment therefor, and if no part of the income derived as aforesaid is used or available to be used for the private pecuniary profit of any individual or individuals.”

Premiums on
pure endowment
policies not
included in
special
exemptions.

5. (1) Notwithstanding anything to the contrary in subsection one of section seventy-seven of the principal Act, a special exemption shall not be allowed under that subsection in respect of the premiums paid on any pure endowment policy, as hereinafter defined, effected after the passing of this Act.

(2) For the purposes of this section a pure endowment policy means a policy of life insurance which does not provide for the payment of a specified capital sum on the death of the assured.

Special
provisions
applicable to the
assessment for
income-tax of
companies using
capital borrowed
out of New
Zealand.

6. (1) Where in calculating its assessable income for any year any company carrying on business in New Zealand deducts or has deducted from its total income derived for that year the whole or any portion of the interest (if any) paid or payable by it for that year to any person or company not resident in New Zealand (the place of residence of any such person or company being determined in accordance with the provisions of section eighty-six of the principal Act), the company making such deduction shall be separately assessed for income-tax on the total amount so deducted in respect of interest as if that amount were taxable income derived by the company in the year in respect of which the deduction has been so made.

(2) Except as provided in the next succeeding subsection, all assessments heretofore made shall be as valid and effective for all purposes as if this section had been in force at all material dates :

Provided that nothing in this subsection shall affect the validity of any refund of income-tax heretofore made by the Commissioner.

(3) Nothing in the foregoing provisions of this section shall apply to any assessment of income-tax in respect of which proceedings have been instituted in any Court before the passing of this Act.

(4) Nothing in subsection one of this section shall apply with respect to any interest paid or payable by a company if the Commissioner is satisfied that the company, as the agent of the lender, is assessable for income-tax in respect thereof in accordance with the provisions of the principal Act.

7. Income-tax for the year commencing on the first day of April, nineteen hundred and thirty-three, shall be assessed, levied, and paid in accordance with the provisions of this Act. Application of
Act.