



ANALYSIS

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1957, No. 90

An Act to amend the Land and Income Tax Act 1954

[24 October 1957]

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

1. Short Title—This Act may be cited as the Land and Income Tax Amendment Act (No. 2) 1957, and shall be read together with and deemed part of the Land and Income Tax Act 1954 (hereinafter referred to as the principal Act).

2. Application of Act—This Act shall apply with respect to the tax for the year of assessment that commenced on the first day of April, nineteen hundred and fifty-seven, and for every subsequent year.

INTERPRETATION

3. Extending the definition of superannuation fund—Section two of the principal Act is hereby amended by repealing the definition of the term “superannuation fund”, and substituting the following definition:

“‘Superannuation fund’ means—

“(a) The Government Superannuation Fund:

“(b) Any superannuation fund established for the benefit of the employees of any employer and approved for the time being by the Commissioner for the purposes of this Act:

“(c) Any other superannuation fund established for the benefit of contributors thereto otherwise than as employees of any employer and approved for the time being by the Commissioner for the purposes of this Act:”.

INCOME TAX

Special Exemptions

4. Increased exemption for superannuation fund contributions by self employed persons—Section eighty-five of the principal Act is hereby amended by repealing subsection three, and substituting the following subsection:

“(3) The deductions by way of special exemption provided for in this section—

“(a) In respect of insurance premiums, contributions to the National Provident Fund to which paragraph (b) of this subsection does not apply, contributions to any superannuation fund to which that paragraph does not apply, and contributions to the insurance fund of a friendly society, shall not in any year exceed in the aggregate the sum of one hundred and seventy-five pounds or fifteen per cent of the assessable income of the taxpayer, whichever is the less:

“(b) In respect of contributions to a superannuation fund established for the benefit of contributors thereto otherwise than as employees of any employer, shall not in any year exceed in the aggregate the amount by which the sum of two hundred and fifty pounds exceeds the aggregate amount of the deductions allowed in that year under paragraph (a) of this subsection.”

5. Special exemption for life insurance premiums—Section eighty-five of the principal Act is hereby further amended by adding to subsection four the following proviso:

“Provided that this subsection shall not apply to a policy which has a minimum term of at least ten years and which has a maturity date not earlier than the date on which the assured attains the age of sixty years, if the taxpayer proves to the satisfaction of the Commissioner that on account of ill health or physical disability he is unable to effect a policy of life insurance providing for the payment of a specified capital sum on his death.”

Exempt Income

6. Exempting the Electric Supply Account from tax—Section eighty-six of the principal Act is hereby amended by repealing subparagraph (vi) of paragraph (b) of subsection one.

7. Exemption of approved research societies or associations—Section eighty-six of the principal Act is hereby further amended by inserting in subsection one, after paragraph (m), the following paragraph:

“(mm) Income derived by any society or association, whether incorporated or not, which is, in the opinion of the Commissioner, established substantially or primarily for the purpose of promoting or encouraging scientific or industrial research, and which is approved by the Council of Scientific and Industrial Research for the purposes of paragraph (c) of subsection one of section ten of the Scientific and Industrial Research Act 1952, whether or not it is in receipt of a grant under that paragraph, if no part of the income or other funds of the society or association is used or available to be used for the private pecuniary profit of any proprietor, member, or shareholder thereof:”.

8. Exemption of accident insurance payments—Section eighty-six of the principal Act is hereby further amended by inserting in subsection one, after paragraph (t), the following paragraph:

“(tt) Income derived by any person, in respect of any period of incapacity for work, from any payment received by him by way of a benefit under a personal sickness or accident policy of insurance, not being a payment calculated according to loss of earnings or profits:”.

Assessable Income

9. Income tax on debenture interest—(1) The First Schedule to the principal Act is hereby amended by repealing clause two and the heading to that clause, and substituting the following heading and clause:

“Debentures Issued Free of Income Tax by Companies

“2. On income derived from debentures issued by a company on terms providing for the payment of income tax by the company, as provided in section 109 of this Act, the basic rate of income tax for every £1 of the taxable income shall be 8s. 8d.”

(2) The following provisions of the principal Act are hereby consequentially repealed:

- (a) Subsections two and three of section one hundred and forty-four:
- (b) Subsections two and three of section one hundred and eighty-six:
- (c) Subsections two and three of section one hundred and eighty-eight.

Deductions in Calculating Assessable Income

10. Initial depreciation allowance on farm equipment and accommodation for farm workers—(1) Section one hundred and fifteen of the principal Act (as amended by section seven of the Land and Income Tax Amendment Act 1956) is hereby further amended by omitting from subsection five the words “nineteen hundred and fifty-eight” wherever they occur, and substituting in each case the words “nineteen hundred and fifty-nine”.

(2) Section seven of the Land and Income Tax Amendment Act 1956 is hereby consequentially repealed.

11. Initial depreciation allowance on accommodation for business workers—(1) Section one hundred and sixteen of the principal Act (as amended by section eight of the Land and Income Tax Amendment Act 1956) is hereby further amended by omitting from subsection five the words “nineteen hundred and fifty-eight” wherever they occur, and substituting in each case the words “nineteen hundred and fifty-nine”.

(2) Section eight of the Land and Income Tax Amendment Act 1956 is hereby consequentially repealed.

Companies and Associations

12. Companies engaged in mining for uranium—Section one hundred and fifty-two of the principal Act (as amended by section nine of the Land and Income Tax Amendment Act 1956) is hereby further amended by inserting in subsection one, after the word “perlite”, the word “uranium”.
