

Hon. Mr. Ward.

LAND AND INCOME ASSESSMENT ACTS AMENDMENT.

ANALYSIS.

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A BILL INTITULED

AN ACT to amend the Acts relating to the Assessment of Land and Income for the Purposes of Taxation. Title.

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

1. The Short Title of this Act is "The Land and Income Assessment Acts Amendment Act, 1893." Short Title.

2. In this Act, unless inconsistent with the context,— Interpretation.

"The original Act" means "The Land and Income Assessment Act, 1891."

"The said Acts" mean "The Land and Income Assessment Act, 1891," and include all Acts amending the same.

Limitation of exemption of lands vested in Her Majesty.

3. (1.) The exemption of lands vested in Her Majesty, contained in the sixteenth section of the original Act, shall be deemed not to include lands held by Her Majesty upon any express or implied trust, and all such lands shall be liable to tax in accordance with the said Acts, unless otherwise expressly exempted therefrom. 5

Beneficiary deemed to be owner of land or mortgage.

(2.) Whenever any land is vested in, or any mortgage is held by, Her Majesty upon any express or implied trust as aforesaid, the person entitled in equity to the rents or profits of such land, or the moneys secured by such mortgage, shall be deemed to be the owner thereof within the meaning of the said Acts, and liable to all the provisions thereof respectively. 10

In the case of a public department, regulations may prescribe who shall make returns and out of what funds tax shall be paid.

(3.) If such land or mortgage is vested in or held by Her Majesty upon any such trust as aforesaid on behalf of any public institution or department, regulations may be made under the original Act prescribing what person or authority shall make returns and do all necessary acts for the purpose of having such land or mortgage assessed under the said Acts, and in what manner the same shall be assessed, and out of what funds of such institution or department the said tax shall be payable. 15 20

Land and mortgages of building societies exempt.

4. All land owned and mortgages held by any building society duly registered or constituted under "The Building Societies Act, 1880," or any act in force prior to that Act, or by any trustee of any such society on its behalf, are hereby declared exempt from liability to tax under the said Acts: 25

Proviso as to profits being part of income.

Provided that annual or other dividends paid or profits credited to any member or shareholder in any such society shall be deemed to be part of the income of such member or shareholder; and any such society shall, when requested by the Commissioner, forward to him a statement of such dividends or profits. 30

Persons and companies may be required to make new or further and fuller returns.

5. Every person and company shall be liable from time to time, and at any time when required by the Commissioner, to make a new or further and fuller return of land, or mortgages, or income, either in respect of the whole or any part of such land, mortgages, or income respectively owned, held, or received by such person or company, and although a return has been previously made by such person or company for the same triennial or annual period, as the case may be; and all the provisions of the said Acts shall extend and apply to any such new or further and fuller return, and assessments may be made upon or in respect thereof by the Commissioner, in accordance with the said Acts, in such manner as may be necessary to give effect thereto. 35 40

Power to require information, and for production of deeds, books, accounts, &c.

6. (1.) For the purpose of obtaining full information in respect of any land, mortgage, or income of any person or company, or of any part thereof respectively, the Commissioner may, from time to time and at any time, in writing, require any person whomsoever, or the public officer of any company, to furnish information, in writing, signed by such person or public officer, or by verbal communication, and whether general or particular, which may be in his knowledge, possession, or power, relating to any such land, mortgage, or income, or any part thereof respectively; or if the Commissioner thinks fit he may require any such person, or the public officer of any such company, or any other person in whose custody or control the same 45 50

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may be, to produce for examination by the Commissioner, or by any person appointed by him for that purpose, at such time and place as may be appointed by the Commissioner in that behalf, any deeds, instruments, books, accounts, trade-lists, stock-sheets, or other documents or writings that may be deemed necessary for the purposes aforesaid, or any of them.

(2.) The Commissioner for all or any of the purposes aforesaid may in writing require the owner of any land or the holder of any mortgage, or any person or company entitled to or in receipt of any income, or the public officer of any company, being such owner or holder or so entitled or in receipt as aforesaid, or any other person whomsoever that the Commissioner may deem able to furnish information, to attend at a time and place to be named by the Commissioner for the purpose of being examined by him respecting the land, mortgages, or income of any such owner, holder, person, or company, or any transactions or matters affecting the same, or any of them or any part thereof.

Power to orally examine certain persons.

7. Every person who fails or neglects to comply with any requirement of the Commissioner under either of the last two immediately preceding sections, or who fails or neglects to attend and give evidence or information as provided by the last immediately preceding section, shall be guilty of an offence and be liable to a penalty of not less than five pounds nor more than one hundred pounds for every such offence.

Penalty on failure to comply with the provisions of any of last two preceding sections.

8. Every owner of land or of any mortgage which may be exempt from taxation under the provisions of the said Acts, shall make and furnish a return of such land or mortgages owned or held by such owner in respect of any triennial or annual period; and, except as to liability to taxation in respect of such land or mortgage, every such owner shall be liable to all the provisions of the said Acts relating to returns of land or mortgages required to be made or furnished thereunder.

Owners of land and mortgages exempt from taxation to make returns.

This provision shall be deemed to have formed part of the original Act when the same came into operation.

9. Where any tax has not been assessed, and remains unpaid in consequence of any person or company having neglected (whether wilfully or not) to make a full and complete return of land, mortgages, or income, or any of them, or any part of them, or by reason of such person or company having claimed deductions which such person or company was not lawfully entitled to claim, then the additional ten per centum provided for in the twenty-fourth section of the original Act shall be added to such tax; and this provision shall be deemed to have formed part of the original Act when the same came into operation.

Provision that ten per cent. payable where tax not assessed by reason of neglect to make return.

10. The Commissioner may from time to time, in writing, require any manager of any banking company, or the public officer of any other company, or any person, who has received or may hereafter receive money for or on behalf of any other person or company on deposit for any fixed term or period, with or without interest, to furnish to the Commissioner in writing, and within such reasonable time as he may determine, a return showing the amount of every sum so deposited, and the interest (if any) paid or credited to any such person or company during or in respect of any year ending on the thirty-first day of March. And any such return may be so re-

Commissioner may require banking company or other company or person to make return of money held on deposit and interest paid thereon.

quired for any such year commencing with the year ending on the thirty-first day of March, one thousand eight hundred and ninety-two, and shall set forth the amount of principal money so held, and the amount of interest so paid or credited, together with the name, occupation, and address of each person or company to whom such money belongs or such interest has been paid or credited.

Definition of certain expressions.

For the purposes of this section the expressions "manager" or "public officer" shall include any officer or person having the principal control of the affairs or business of any banking company, or other company, as the case may be, at any office or place of business of such company in New Zealand.

Penalty for refusal or neglect.

11. If any such manager or public officer as aforesaid, or other person who has been required to furnish such return, as provided in the last immediately preceding section, shall refuse or neglect to do so within the time determined in that behalf by the Commissioner, such manager, public officer, or person shall be deemed guilty of an offence, and liable, on conviction, to a penalty of not less than *twenty* pounds and not exceeding *one hundred* pounds for every day during which such refusal or neglect shall continue after the expiration of the time within which such return should have been made as aforesaid.

Commissioner may require banking companies to make statements and returns of money held on deposit under Property Assessment Acts heretofore in force.

12. (1.) The Commissioner may from time to time, in writing, require the manager of any banking company, within a period to be determined by the Commissioner, to furnish him in writing with a statement of any money that was held on deposit for any fixed term or period, with or without interest, for or on behalf of any other person or company at any office or bank under the control of such banking company on the first day of October in any year for which a triennial assessment was made under "The Property Assessment Act, 1879," or "The Property Assessment Act, 1885," or any Acts amending the same respectively; or the Commissioner may in like manner require any banking company, within a time to be determined by him, to furnish a return of all sums of money that were held by such company on deposit for any fixed term or period, with or without interest, for or on behalf of all other persons or companies, at any branch office or at all the branch offices of such banking company in New Zealand, on the first day of October in any such year as aforesaid.

Every such statement or return shall state the amounts so held on behalf of each such person or company, the interest (if any) payable on any such deposit, and the names, occupations, and addresses of all persons or companies to which the same applies.

Definition of "Manager."

(2.) For the purposes of this section, the expression "manager" means not only the general manager or other principal officer of any banking company in New Zealand, but includes any manager or other officer having the charge or control of the affairs or business of such banking company at any branch office or place of business of such company in New Zealand.

Penalty for refusal or neglect.

13. If any such manager as aforesaid who has been required to furnish any such statement or return, as provided in the last immediately preceding section, shall refuse or neglect to do so within the time determined in that behalf by the Commissioner, such manager shall be deemed guilty of an offence, and liable, on conviction, to a penalty of not less than *fifty* pounds and not exceeding *one hundred*

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pounds for every day during which such refusal or neglect shall continue after the expiration of the time within which such statement or return should have been made as aforesaid.

14. (1.) If it appears to the Commissioner, upon any statement
 5 or return furnished to him under section *twelve* of this Act, or if
 it shall in any manner come to his knowledge that any person or
 company was liable to taxation under "The Property Assessment
 Act, 1879," or "The Property Assessment Act, 1885," or any amend-
 10 ment thereof respectively, and has not been assessed for property-
 tax in respect of any money so held in deposit, the Commissioner of
 Taxes, on behalf of the Crown, by suit in his own name, or under
 the provisions of "The Crown Suits Act, 1881," may take or
 cause to be taken all or any such legal proceedings for the recovery
 15 of any tax, duty, or penalty against the owner of the money held on
 deposit by any such banking company as could have been taken under
 the said Acts, or any of them, or under any Act read and construed
 therewith respectively, if such owner had been duly assessed in
 respect thereof under the said Acts, or one of them, in accordance
 20 with the law then in force, and as if the name of such owner had
 been duly entered upon any roll, record, or register kept or made
 under the said Acts, or one of them, as liable to such tax or duty
 accordingly.

Proceedings may be taken against person or company liable as if assessed under Property Assessment Acts.

(2.) The owner of the money against whom legal proceedings
 25 may be taken under this Act shall include not only the person or
 company who ought originally to have been assessed under the said
 Acts, or one of them, as aforesaid, but also any person into whose
 hands the money so held on deposit has subsequently come, whether
 by deed, will, or other instrument, or by operation of law, and
 whether any such last-mentioned person shall be a trustee or
 30 entitled thereto for his own benefit: Provided that the Commis-
 sioner shall not take or cause to be taken any such legal proceedings
 if, having regard to the circumstances of any case, he shall be of
 opinion that it would not be equitable to do so, or would cause
 hardship to any person or persons not being the original owner of the
 35 money that ought to have been assessed as aforesaid, nor until at
 least one month's previous notice shall have been given by the Com-
 missioner to the person or company against whom such proceedings
 are proposed to be taken.

Who to be deemed "owner" of money. Proviso giving discretion as to proceedings, and notice thereof to be given.

(3.) Notwithstanding the repeal of any of the Acts mentioned
 40 herein, all the provisions thereof respectively, or of such one or more
 of them as may be requisite or necessary to give effect to this enact-
 ment, shall be deemed to be and the same are hereby expressly re-
 vived, and shall and may be put in force and have effect accordingly.

Revival of necessary provisions of Property Assessment Acts.

15. The following further amendments are hereby made in the
 45 Schedules to the original Act as altered by "The Land and Income
 Assessment Act Amendment Act, 1892 :—

Amendments to Schedules.

(1.) In Schedule A :—

50 All references therein to the value of improvements upon
 land up to three thousand pounds shall henceforth be
 deemed omitted from such Schedule; and all tax on
 land under the said Acts shall be assessed and levied on
 the amount of the assessed value of such land after allow-

Assessments on land to be made after deduction of all improvements.

Amendment of law affecting loan, building, and investment companies.

ing for all improvements thereon; and the expression "improvements" shall have the same meaning as it now has by virtue of the said Schedule.

In the first section of Part (2) of this Schedule the following amendment is made: After the words "banking company" in the said section the following words shall be inserted: "or company now or hereafter registered in New Zealand under any Act of the General Assembly, whose sole or principal business is the business of a loan, building, and investment company, and the head office and management of which is situated and conducted in New Zealand." 5 10

The proviso to the said first section, as contained in the original Act, is hereby repealed.

Amended scale of graduated tax.

(2.) In Schedule B:—

The scale of taxation now forming part of this Schedule is hereby repealed, and in lieu thereof the following scale is substituted:— 15

First Column.	Second Column.	Third Column: Rate of Graduated Tax.
Where the value is £5,000	and is less than £10,000	one-eighth of a penny in the pound sterling.
Where the value is £10,000	and is less than £20,000	three-eighths of a penny in the pound sterling.
Where the value is £20,000	and is less than £25,000	four-eighths of a penny in the pound sterling.
Where the value is £25,000	and is less than £30,000	five-eighths of a penny in the pound sterling.
Where the value is £30,000	and is less than £40,000	six-eighths of a penny in the pound sterling.
Where the value is £40,000	and is less than £50,000	seven-eighths of a penny in the pound sterling.
Where the value is £50,000	and is less than £70,000	one penny in the pound sterling.
Where the value is £70,000	and is less than £90,000	one penny and one-eighth of a penny in the pound sterling.
Where the value is £90,000	and is less than £110,000	one penny and two-eighths of a penny in the pound sterling.
Where the value is £110,000	and is less than £130,000	one penny and three-eighths of a penny in the pound sterling.
Where the value is £130,000	and is less than £150,000	one penny and four-eighths of a penny in the pound sterling.
Where the value is £150,000	and is less than £170,000	one penny and five-eighths of a penny in the pound sterling.
Where the value is £170,000	and is less than £190,000	one penny and six-eighths of a penny in the pound sterling.
Where the value is £190,000	and is less than £210,000	one penny and seven-eighths of a penny in the pound sterling.
Where the value is £210,000	or exceeds that sum ...	two pence in the pound sterling.

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(3.) In Schedule C:—

(a.) After the words "banking companies" in section one of this Schedule the following words shall be inserted: "or of any company now or hereafter registered in New Zealand under any Act of the General Assembly, whose sole or principal business is the business of a loan, building, and investment company, and the head office and management of which is situated and conducted in New Zealand."

Loan, building, and investment companies to be liable for income from mortgages.

(b.) The following proviso shall be inserted at the end of the said section one:—

"Provided that so far as respects the income of a banking company, the same shall not, after the deduction of losses, outgoings, deductions, and expenses, be assessed for the purposes of income-tax in any year at a less sum than ten thousand pounds."

Income of banking company not to be assessed at less than £10,000.

(c.) Nothing in the second section of this Schedule shall be deemed to require any local authority to make and furnish returns as agent for debenture-holders in respect of any moneys now or hereafter borrowed by such authority on behalf of the corporate body it represents.

A local authority not required to make returns as agent for debenture-holders.

(d.) Notwithstanding anything in the second section of the said Schedule, no company shall hereafter be entitled to deduct from any instalment of interest payable by it in any year the amount of tax paid by such company as agent for the holder of any debentures representing money borrowed by such company. Nothing in the thirty-seventh section of the original Act shall apply to a company that has borrowed, or may hereafter borrow, money on debentures as respects the interest from time to time payable on such debentures.

Companies not to deduct tax paid from instalments of interest paid on debentures issued by them.

(e.) The following new section is added to this Schedule:—

One-half of the dividends paid by any mining company in New Zealand to its shareholders in any year ending on the thirty-first day of March shall be deemed to be the income derived or received by such company from its business for that year, and the company shall be liable to tax accordingly. The Commissioner may from time to time require any such company to furnish such reasonable evidence as he shall deem sufficient as to the amounts actually paid to shareholders as aforesaid by way of dividends in any such year.

Amendment of the law as to mining companies.

For the purposes of this section "mining company" means any company registered under "The Companies Act, 1882," or "The Mining Companies Act, 1886," for all or any "mining purposes," as defined by the last-mentioned Act.

(4.) In Schedules D and E:—

No person who is not domiciled or permanently resident in New Zealand, and whether in partnership with any person or persons domiciled or permanently resident there or not, shall be entitled to the deduction by way of exemption of three hundred pounds as provided under the said Schedules.

Person not domiciled in colony not entitled to exemption of £300.

Resident in New Zealand receiving pension from abroad not liable to income-tax if tax paid in country whence pension derived.

(5.) In Schedule E:—

Any person resident in New Zealand who is in receipt of an annual pension received or derived from the Crown in Great Britain, or the Government of any British possession, shall be exempt from income-tax as respects such pension; provided that the person entitled to such pension proves to the satisfaction of the Commissioner that such pension is liable to income-tax or a like tax in Great Britain, or in such British possession, and that such tax has been duly paid. 5

Losses, &c., incurred in New Zealand only to be deducted.

(6.) In Schedule F:—

(a.) Section one of this Schedule shall only apply to losses and outgoings incurred in New Zealand, and not further or otherwise. 10

Money paid for interest on mortgage or for tax not to be deducted.

(b.) A new subsection shall be added to section two of this Schedule, namely:— 15

(j.) Nor on account of any interest paid on any mortgage, nor for the amount of any land tax or income tax paid under any Act.

This subsection and the immediately preceding provision shall be deemed to have been part of the original Act at the date when the same came into operation. 20

Certain allowances to be estimated as income.

(c.) To section five of this Schedule there shall be added the following provision:—

The estimated annual value of any residence, quarters, or board and residence, and every allowance, benefit, or advantage of any kind, whether in money or otherwise, or of a like nature, or any modification or combination of any such benefit or advantage as hereinbefore mentioned, granted, secured, or allowed to any person, shall be deemed to be part of the income of such person, and liable to tax accordingly. 25 30