

LAND AND INCOME TAX AMENDMENT BILL

EXPLANATORY NOTE

This Bill amends the Land and Income Tax Act 1923.

By virtue of *clause 2* the Bill is to apply to the current year of assessment and all subsequent years, except as provided in *clause 6 (3)*.

PART I

LAND TAX

Clause 3 increases the exemption of land from land tax to £3,000 reducible by £1 for each £2 of value in excess of £3,000 until the exemption disappears altogether when the unimproved value of the land reaches £9,000. At present the exemption is £1,000 reducible by £1 for each £1 in excess of £1,500, and disappearing at £2,500. The existing law is set out in *clause 54 (1)* of the Land and Income Tax Bill (consolidation) now before Parliament.

Clause 4 repeals the special provisions as to the assessment of lessees for land tax as if they owned the fee simple (set out in *clause 57* of the consolidation Bill).

Clause 5 repeals the provisions requiring owners to give notice to the Commissioner of Inland Revenue when they dispose of their land (set out in *clause 74* of the consolidation Bill).

Clause 6 provides for the reduction of land tax in certain cases to one-fourth of the ordinary tax or to tax at the rate of $\frac{1}{4}$ d. in the pound, whichever is the greater. The clause applies to land owned or occupied by sports bodies and used for games or sports other than horse racing or trotting, land held by religious societies, and land vested in the Masterton Trust Lands Trustees, the Greytown Trust Lands Trustees, and the Trustees of Cornwall Park, Auckland. The inclusion of sports bodies is new, and is to come into force at the beginning of the next year of assessment on 1 April 1955, but the other bodies are already entitled to a similar reduction under existing provisions (as set out in *clauses 76 and 77* of the consolidation Bill).

PART II

INCOME TAX

Clause 7 amends the Schedule fixing the basic rates of income tax (which appears as the First Schedule in the consolidation Bill). The clause makes the commencing rate of tax 3s. in the pound instead of 2s. 6d., and abolishes what is known as the "A + B" system of assessment, by providing that, where a taxpayer has assessable income and also non-assessable income such as company dividends,

the tax will be assessed on the taxable income at the rate applicable to the total income. The clause also provides that the basic rate of tax on the undistributed income of Maori authorities is to continue at 2s. 6d. in the pound (as at present provided in the provision set out in clause 163 (3) of the consolidation Bill).

Clause 8 extends to the 1954 National Development Loan the special provisions as to the rate of income tax on interest from the 1953 National Development Loans (as set out in clause 83 of the consolidation Bill).

Clause 9 increases the personal exemption from £230 to £375, or to £420 for persons over sixty-five years of age, and abolishes the special rebate of £10 for persons over sixty-five years of age. (The existing provisions are set out in clauses 84 and 85 of the consolidation Bill.)

Clause 10 increases the exemption of a married man for his wife from £100 to £125, reducible pound for pound where the wife's income exceeds £125 and disappearing where the wife's income reaches £250. At present the exemption is reducible pound for pound by any excess over £100 and disappears at £200. The clause also abolishes the limitation under which the exemption at present cannot result in a reduction of more than £26 in tax. *Subclause (2)* makes similar amendments in respect of the exemption of a married woman for her husband. (The existing provisions affected by *clause 10* are set out in clauses 86 and 87 of the consolidation Bill.)

Clause 11 increases from £100 to £125 the exemption for a widowed or divorced taxpayer employing a housekeeper, and abolishes the limitation which prevents the exemption from reducing tax by more than £26. The clause also extends the exemption to unmarried taxpayers. (The existing exemption is set out in clause 88 of the consolidation Bill.)

Clause 12 increases from £65 to £75 the exemption for each child or other dependant relative, and abolishes the limitation which prevents the reduction of tax by more than £26. (The existing exemption is set out in clause 89 of the consolidation Bill.)

Clause 13 provides that when a taxpayer leases or bails any livestock to another person it is to be treated as livestock used by the taxpayer in a business; and the taxpayer may, at his option, adopt as the standard value of the livestock either its market price, or its existing standard value, or a new standard value less than the market price and greater than the existing standard value. Any standard value so adopted is to have the same effect as if it had been adopted under the provisions set out in clause 103 of the consolidation Bill.

Clause 14 extends to grandchildren the provision for alternative values for livestock comprised in a gift to a taxpayer's children or stepchildren (set out in clause 104 of the consolidation Bill).

Clause 15 amends the provisions as to the aggregation of the incomes of husbands and wives (set out in clause 108 of the consolidation Bill). There is to be no aggregation where the income of either husband or wife is less than £500. (The present figure is £230.)

The first £500 of the wife's income (consisting of her assessable income so far as it extends) is to be taxed at the rate applicable to that amount alone, after allowing the personal exemption of £375 (or £420 if over 65), and any other special exemptions.

The balance of the wife's income over £500 is to be aggregated with the husband's income, and he is to be allowed all deductions to which he is entitled, as well as the balance of his wife's special exemptions (except her personal exemption).

If separate assessments are made the same rates of tax are to apply to the first £500 of the wife's income, and to the balance of her income and to the husband's income, as if an aggregate assessment had been made against the husband.

Clause 16 extends for a further year (to 31 March 1956) the period for the special depreciation allowance on buildings and plant, under the provision set out in clause 118 of the consolidation Bill.

Clause 17 extends for a further year the period for the initial depreciation allowance on farm equipment and accommodation for farm workers, under the provision set out in clause 119 of the consolidation Bill.

Clause 18 extends for a year the period for the initial depreciation allowance on accommodation for business workers, under the provision set out in clause 120 of the consolidation Bill.

Clause 19 increases from £200 to £300 the maximum allowance for expenditure on land used for farming or agricultural purposes, under the provision set out in clause 123 of the consolidation Bill.

Clause 20 provides for a special exemption of £200 in respect of income assessed to a trustee as trustee's income under the provision set out in clause 158 of the consolidation Bill.

Clause 21 repeals sections 139 and 140 of the principal Act (set out in clauses 216 and 217 of the consolidation Bill). Section 139 provides for a special procedure whereby the Commissioner of Inland Revenue can obtain judgment for tax in undefended cases in a Magistrate's Court without any appearance in Court, and section 140 makes special provisions as to the particulars to be inserted in a statement of claim for tax. The purpose of the clause is to allow the general provisions of the Magistrates' Courts Rules to apply in both these cases.

Hon. Mr Bowden

LAND AND INCOME TAX AMENDMENT

ANALYSIS

Title.	11. Special exemption for house-keeper.
1. Short Title.	12. Special exemptions for support of dependent relatives.
2. Application of Act.	13. Alternative standard values for livestock leased or bailed.
PART I	
LAND TAX	
3. Increasing special exemption.	14. Alternative values for livestock in gift to grandchildren.
4. Repealing special provisions as to assessment of lessees for land tax.	15. Aggregation of incomes of husband and wife where the income of each exceeds £500.
5. Abolishing notice to Commissioner of change of ownership of land.	16. Extending period for allowance of special depreciation on buildings and plant.
6. Reduction of tax in certain cases.	17. Extending period for allowance of initial depreciation on farm equipment and accommodation for farm workers.
PART II	
INCOME TAX	
7. Amending basic rates of income tax.	18. Extending period for allowance of initial depreciation on accommodation for business workers.
8. Rate of income tax on interest from 1954 National Development Loan.	19. Increase in deduction of certain farming expenditure.
9. Personal exemption increased to £375.	20. Special exemption of £200 in respect of trustees income.
10. Special exemption where taxpayer is married.	21. Repealing special provisions as to procedure in Magistrates' Courts.
	Schedule.

A BILL INTITULED

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

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

1. This Act may be cited as the Land and Income Tax Amendment Act 1954, and shall be read together with and deemed part of the Land and Income Tax Act 1923 (hereinafter referred to as the principal Act). Short Title.

See Reprint of Statutes, Vol. VII, p. 271.

Application
of Act.

2. Except as otherwise provided herein, this Act shall apply with respect to the tax for the year of assessment that commenced with the first day of April, nineteen hundred and fifty-four, and for every subsequent year.

PART I

5

LAND TAX

Increasing
special
exemption.
1950, No. 22

3. (1) Section forty-nine of the principal Act is hereby amended by repealing paragraphs (a) and (b) of subsection one (as substituted by section three of the Land and Income Tax Amendment Act 1950), and substituting the following paragraphs: 10

“(a) Where that value does not exceed three thousand pounds, a deduction of three thousand pounds:

“(b) Where that value exceeds three thousand pounds, a deduction of three thousand pounds, diminished at the rate of one pound for every two pounds of that excess, so as to leave no deduction when that value amounts to or exceeds nine thousand pounds.” 15 20

(2) Section three of the Land and Income Tax Amendment Act 1950 is hereby consequentially repealed.

Repealing
special
provisions as
to assessment
of lessees for
land tax.
1936, No. 34
1939, No. 3

4. Section three of the Land and Income Tax Amendment Act 1936 and section twenty of the Finance Act 1939 are hereby repealed. 25

Abolishing
notice to
Commissioner
of change of
ownership
of land.

5. Section sixty-eight of the principal Act is hereby repealed.

Reduction of
tax in certain
cases.

6. (1) Notwithstanding anything in Part V of the principal Act, the amount of the land tax chargeable for any year in respect of any land to which this section applies, in so far as that land is not exempt from land tax by virtue of section sixty-nine of the principal Act, shall be the greater of the following amounts: 30

1950, No. 22
1950, No. 22
1950, No. 22

- (a) One-fourth of the amount that would be chargeable in respect thereof if this section did not apply; or
- 5 (b) The amount that would be chargeable in respect thereof if the rate of land tax were one half-penny for every pound of the unimproved value on which land tax is payable.
- (2) This section applies to the following classes of land:
- 10 (a) Land owned or occupied by or in trust for any society or association of persons, whether incorporated or not, if the land is used for games or sports other than horse racing or trotting, and is not used for the private pecuniary profit of any individual:
- 15 (b) Land owned by or in trust for any religious society, if the land or the rents or profits thereof are used exclusively for charitable purposes, and if the principal purpose for which the society is established is the teaching, maintenance, or advancement of religion:
- 20 (c) Land vested in the Masterton Trust Lands Trustees:
- (d) Land vested in the Greytown Trust Lands Trustees:
- 25 (e) Land vested in the Trustees of Cornwall Park, Auckland.
- (3) Paragraph (a) of subsection *two* of this section shall apply with respect to the tax for the year of assessment commencing with the first day of April, nineteen hundred and fifty-five, and for every subsequent year.
- 30 (4) The following enactments are hereby consequentially repealed:
- 35 (a) Section seventy of the principal Act:
- (b) Section twenty-eight of the Finance Act 1929: 1929, No. 29
- (c) Section three of the Land and Income Tax Amendment Act 1935: 1935, No. 32
- (d) Section five of the Land and Income Tax Amendment Act 1936: 1936, No. 34
- 40 (e) Paragraph (c) of subsection two of section four of the Land and Income Tax Amendment Act 1944: 1944, No. 28
- (f) Section seventeen of the Land and Income Tax Amendment Act 1953. 1953, No. 27
- 45

PART II

INCOME TAX

Amending basic
rates of
income tax.
1940, No. 3
1950, No. 22

7. (1) Clause four of the Schedule to the Land and Income Tax Amendment Act 1940 (as substituted by section four of the Land and Income Tax Amendment Act 1950) is hereby amended by repealing subclause three, and substituting the following subclause: 5

“(3) Where the total income derived by the taxpayer during the income year included non-assessable income to which section six of the Land and Income Tax Amendment Act 1931 applies, the basic rate for every £1 of the taxable income shall be a rate equal to the effective rate for an income equal in amount to the total of the taxable income and of that non-assessable income.” 10

(2) The Schedule to the Land and Income Tax Amendment Act 1940 is hereby amended by repealing Part B, and substituting the Part B set out in the Schedule to this Act. 15

(3) Part A of the Schedule to the Land and Income Tax Amendment Act 1940 is hereby amended by inserting, after clause two, the following heading and clause: 20

“*Maori Authorities*

“2A. On all undistributed income assessable to a Maori authority under section 13 of the Land and Income Tax Amendment Act 1952 the basic rate of income tax for every £1 of the taxable income shall be 2s. 6d.” 25

(4) Clause three of the Schedule to the Land and Income Tax Amendment Act 1940 is hereby amended by inserting after the words “clause 2”, the words “or clause 2A”. 30

(5) Clause four of the Schedule to the Land and Income Tax Amendment Act 1940 is hereby amended by inserting, in subclause one, after the words “clause 2”, the words “or clause 2A”. 35

1952, No. 80

(6) Section thirteen of the Land and Income Tax Amendment Act 1952 is hereby amended by omitting from subsection three the words “at the minimum rate prescribed by the appropriate annual taxing Act for income derived by individual taxpayers during that income year”, and substituting the word “accordingly”. 40

8. Section fourteen of the Land and Income Tax Amendment Act 1953 is hereby amended by adding to subsection one the following paragraph:

“ or

5 “(c) The 1954 National Development Loan, maturing on the fifteenth day of September, nineteen hundred and fifty-nine, the fifteenth day of September, nineteen hundred and sixty-five, the fifteenth day of September, nineteen hundred and sixty-nine, or the fifteenth day of September, nineteen hundred and seventy-four, as the case may be, with interest at the rate of three and three-quarters per cent per annum on the nominal amount thereof.”

Rate of income tax on interest from 1954 National Development Loan.
1953, No. 27

15 9. (1) Section seventy-four of the principal Act is hereby amended by repealing subsection one (as substituted by subsection one of section six of the Land and Income Tax Amendment Act 1936), and substituting the following subsection:

Personal exemption increased to £375.
1936, No. 34

20 “(1) From the yearly assessable income of every person, other than a company or a public authority or an unincorporated body, there shall, for the purpose of assessing income tax on that income, be deducted by way of special exemption the sum of three hundred and seventy-five pounds:

25 “Provided that, in the case of a taxpayer (other than an absentee) who has attained the age of sixty-five years before the commencement of the year of assessment, the amount to be so deducted shall be the sum of four hundred and twenty pounds.”

30 (2) The following enactments are hereby consequentially repealed:

35 (a) Subsection one of section six of the Land and Income Tax Amendment Act 1936:

(b) Paragraph (a) of subsection one and subsection two of section seven of the Land and Income Tax Amendment Act 1939:

40 (c) Paragraph (a) of subsection one of section five of the Land and Income Tax Amendment Act 1944:

(d) Section four of the Land and Income Tax Amendment Act (No. 2) 1950:

- 1951, No. 80 (e) Sections four and five of the Land and Income Tax Amendment Act 1951:
- 1953, No. 27 (f) Subsection one of section three of the Land and Income Tax Amendment Act 1953.
- Special exemption where taxpayer is married. 1932-33, No. 40 1945, No. 37
10. (1) Section four of the Land and Income Tax Amendment Act 1932-33 (as amended by section three of the Land and Income Tax Amendment Act 1945 and section six of the Land and Income Tax Amendment Act 1953) is hereby further amended as follows:
- (a) By omitting from subsection one the words "one hundred pounds" wherever they occur, and substituting in each case the words "one hundred and twenty-five pounds": 10
- (b) By repealing the proviso to subsection one:
- (c) By omitting from subsection two the words "two hundred pounds", and substituting the words "two hundred and fifty pounds": 15
- 1933, No. 43 (2) Section two of the Land and Income Tax Amendment Act 1933 (as amended by section four of the Land and Income Tax Amendment Act 1945 and section six of the Land and Income Tax Amendment Act 1953) is hereby further amended as follows:
- (a) By omitting from subsection one the words "one hundred pounds" wherever they occur, and substituting in each case the words "one hundred and twenty-five pounds": 25
- (b) By repealing the proviso to subsection one:
- (c) By omitting from subsection two the words "two hundred pounds", and substituting the words "two hundred and fifty pounds": 30
- (3) The following enactments are hereby consequentially repealed:
- (a) Paragraph (b) of section three of the Land and Income Tax Amendment Act 1945:
- (b) Paragraph (b) of section four of the Land and Income Tax Amendment Act 1945: 35
- (c) Section six of the Land and Income Tax Amendment Act 1953.
- Special exemption for housekeeper.
11. (1) Section three of the Land and Income Tax Amendment Act 1933 is hereby amended by repealing subsection two, and substituting the following subsection: 40

“(2) Every taxpayer (other than an absentee) who is a widow, a widower, a divorced person, or an unmarried person shall, subject to the provisions of this section, be entitled in respect of a housekeeper, as hereinbefore defined, employed by that taxpayer, to a deduction by way of special exemption from his or her assessable income of one hundred and twenty-five 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.”

(2) The following enactments are hereby consequentially repealed:

- (a) Section thirteen of the Land and Income Tax Amendment Act 1936: 1936, No. 34
- (b) Paragraph (b) of section nine of the Land and Income Tax Amendment Act 1939: 1939, No. 34
- (c) Section five of the Land and Income Tax Amendment Act 1945. 1945, No. 37

12. (1) Section eleven of the Land and Income Tax Amendment Act 1939 is hereby amended as follows:

- (a) By omitting from subsection one (as amended by section four of the Land and Income Tax Amendment Act 1953) the words “sixty-five pounds”, and substituting the words “seventy-five pounds”:
- (b) By omitting from subsection three (as amended by the said section four) the words “sixty-five pounds” wherever they occur, and substituting in each case the words “seventy-five pounds”:
- (c) By repealing subsection six (as added by section seven of the Land and Income Tax Amendment Act 1945).

Special exemptions for support of dependent relatives.
1939, No. 34
1953, No. 27

(2) Section four of the Land and Income Tax Amendment Act 1953 is hereby consequentially repealed.

13. (1) Where any livestock is leased or bailed by a taxpayer to any other person the following provisions of this section shall apply.

Alternative standard values for livestock leased or bailed.

(2) Notwithstanding the lease or bailment, the livestock shall be deemed to be and to have continued to be livestock used by the taxpayer in a business carried on by him, and the provisions of the principal Act shall apply accordingly, subject to the following provisions of this section.

1939, No. 34

(3) Notwithstanding anything to the contrary in section sixteen of the Land and Income Tax Amendment Act 1939, the taxpayer may, as at the date of the lease or bailment, elect to adopt as the standard value of the livestock comprised in the lease or bailment—

(a) The market price of the livestock at the date of the lease or bailment; or

(b) The standard value last adopted by the taxpayer and in force at the date of the lease or bailment in respect of that livestock; or

(c) A new standard value, being less than the market price referred to in paragraph (a) of this subsection, and being greater than the standard value referred to in paragraph (b) of this subsection.

(4) Any standard value adopted under subsection *three* of this section shall have the same effect as if it had been adopted under subsection nine of section sixteen of the Land and Income Tax Amendment Act 1939.

(5) For the purposes of this section the livestock comprised in a lease or bailment made by a taxpayer means the livestock to which the taxpayer is entitled under the lease or bailment, whether it is the livestock originally leased or bailed or any livestock substituted therefor.

Alternative values for livestock in gift to grandchildren. 1952, No. 80

14. Section ten of the Land and Income Tax Amendment Act 1952 is hereby amended by repealing subsection six, and substituting the following subsection:

“(6) For the purposes of this section the term “child” includes a stepchild and a grandchild, but does not include any child, stepchild, or grandchild under the age of eighteen years at the date of the sale or other disposition.”

Aggregation of incomes of husband and wife where the income of each exceeds £500. 1939, No. 34 1953, No. 27

15. (1) Section thirteen of the Land and Income Tax Amendment Act 1939 (as amended by section three of the Land and Income Tax Amendment Act 1953) is hereby further amended as follows:

(a) By omitting from paragraph (a) and from paragraph (b) of subsection three the words “two hundred and thirty pounds”, and substituting in each case the words “five hundred pounds”:

(b) By omitting from paragraph (a) of subsection six (as substituted by subsection two of section four of the Land and Income Tax Amendment Act 1949) the words "two hundred and thirty pounds", and substituting the words "three hundred and seventy-five pounds or, in the case of a husband or wife (other than an absentee) who has attained the age of sixty-five years before the commencement of the year of assessment, four hundred and twenty pounds":

(c) By omitting from subsections nine and ten the words "two hundred and thirty pounds" wherever they occur, and substituting in each case the words "three hundred and seventy-five pounds".

(2) Section thirteen of the Land and Income Tax Amendment Act 1939 is hereby further amended by inserting in subsection one, in their appropriate alphabetical order, the following definitions:

" 'First portion of the aggregable income' means the first five hundred pounds of the aggregable income, consisting wholly of aggregable assessable income, unless the total amount of the aggregable assessable income derived in the income year is less than five hundred pounds, in which case the balance of the five hundred pounds shall consist of aggregable non-assessable income:

" 'Second portion of the aggregable income' means the balance of the aggregable income derived in the income year over and above the first portion of the aggregable income:"

(3) Section thirteen of the Land and Income Tax Amendment Act 1939 is hereby further amended by repealing subsections five and five A (as substituted by section four of the Land and Income Tax Amendment Act 1949), and substituting the following subsections:

"(5) For the purposes of an aggregate assessment, instead of the deductions under section eighty-one of the principal Act and the special exemptions provided for in that Act, the Commissioner shall allow the following deductions and special exemptions in the order and manner following:

“(a) Firstly, a special exemption of three hundred and seventy-five pounds shall be allowed only against the first portion of the aggregable income:

“ Provided that, where the taxpayer’s wife 5
(not being an absentee) has attained the
age of sixty-five years before the commence-
ment of the year of assessment, the amount
to be so allowed shall be four hundred and
twenty pounds: 10

“(b) Secondly, any loss which the taxpayer’s wife
would have been entitled to deduct under
section eighty-one of the principal Act if she
had been assessed otherwise than in accord- 15
ance with this section shall be deducted from
any assessable income included in the second
portion of the aggregable income so far as
that income extends, and any balance of
the loss shall be deducted from any assessable
income included in the first portion of the 20
aggregable income:

“(c) Thirdly, all other special exemptions to which
the taxpayer’s wife would have been entitled
if she had been assessed otherwise than in 25
accordance with this section shall be allowed
firstly against any assessable income included
in the first portion of the aggregable income
so far as that income extends and, as to the
balance (if any), against any assessable
income included in the second portion of the 30
aggregable income:

“(d) Fourthly, a special exemption of three hundred
and seventy-five pounds shall be allowed
firstly against the taxpayer’s assessable income
(excluding aggregable income) and, as to the 35
balance (if any), against his non-assessable
income (excluding aggregable income):

“ Provided that, where the taxpayer (not
being an absentee) has attained the age of 40
sixty-five years before the commencement of
the year of assessment, the amount to be so
allowed shall be four hundred and twenty
pounds:

5 “(e) Fifthly, any loss which the taxpayer would have been entitled to deduct under section eighty-one of the principal Act if he had been assessed otherwise than in accordance with this section shall be deducted from his assessable income:

10 “(f) Sixthly, all other special exemptions to which the taxpayer would have been entitled if he had been assessed otherwise than in accordance with this section shall be allowed against his assessable income, so far as that income extends.

15 “(5A) Subject to subsection five of this section, for the purposes of an aggregate assessment,—

20 “(a) The tax payable in respect of the taxable income included in the first portion of the aggregable income shall be calculated at the rate that would have been applicable if the taxpayer had derived no income except the first portion of the aggregable income:

25 “(b) The second portion of the aggregable income shall be aggregated with the other income derived by the taxpayer, and so much as is aggregable assessable income shall be deemed to form part of his total assessable income, and so much as is aggregable non-assessable income shall be deemed to form part of his total non-assessable income.”

30 (4) Subsection six of section thirteen of the Land and Income Tax Amendment Act 1939 is hereby amended by omitting from paragraph (b) (as amended by subsection three of section four of the Land and Income Tax Amendment Act 1949) the words “sub-section five A”, and substituting the words “sub-section five”. 1939, No. 34 1949, No. 29

35 (5) Subsection six of section thirteen of the Land and Income Tax Amendment Act 1939 is hereby amended by repealing paragraph (c), and substituting the following paragraph:

“(c) Any deductions under section eighty-one of the principal Act and the special exemptions provided for in that Act shall be allowed in the same order and manner as in an aggregate assessment; and the tax payable in respect of the taxable income included in the first portion of the aggregable income, and in respect of the other income separately assessed to the wife, and in respect of the income separately assessed to the married man shall be calculated at the respective rates that would have been applicable if the income had been assessed wholly to the married man by an aggregate assessment:”.

(6) The following enactments are hereby consequentially repealed:

1949, No. 29

(a) Subsections one and three of section four of the Land and Income Tax Amendment Act 1949:

1953, No. 27

(b) Subsection two of section three of the Land and Income Tax Amendment Act 1953.

Extending period for allowance of special depreciation on buildings and plant.

1945, No. 37

16. (1) Section fifteen of the Land and Income Tax Amendment Act 1945 (as amended by section nine of the Land and Income Tax Amendment Act 1953) is hereby further amended by omitting from subsection one the words “nineteen hundred and fifty-five”, and substituting the words “nineteen hundred and fifty-six”.

(2) Section nine of the Land and Income Tax Amendment Act 1953 is hereby consequentially repealed.

Extending period for allowance of initial depreciation on farm equipment and accommodation for farm workers.

1950, No. 37

17. (1) Section eight of the Land and Income Tax Amendment Act (No. 2) 1950 (as amended by section ten of the Land and Income Tax Amendment Act 1953) is hereby further amended by omitting from subsection five the words “nineteen hundred and fifty-five” wherever they occur, and substituting in each case the words “nineteen hundred and fifty-six”.

(2) Subsection one of section ten of the Land and Income Tax Amendment Act 1953 is hereby consequentially repealed.

Extending period for allowance of initial depreciation on accommodation for business workers.

18. Section twelve of the Land and Income Tax Amendment Act 1953 is hereby amended by omitting from subsection five the words “nineteen hundred and fifty-five” wherever they occur, and substituting in each case the words “nineteen hundred and fifty-six”.

19. Section nine of the Land and Income Tax Amendment Act (No. 2) 1950 is hereby amended by omitting from the proviso to paragraph (b) of subsection one the words "two hundred pounds", and substituting the words
5 "three hundred pounds".

Increase in deduction of certain farming expenditure.
1950, No. 87

20. (1) Section one hundred and two of the principal Act is hereby amended by omitting from paragraph (b) (as amended by section twenty-seven of the Land and Income Tax Amendment Act 1939 and by section nine
10 of the Land and Income Tax Amendment Act 1945) the words "and that the trustee shall not be entitled to any deduction by way of special exemption, and that no tax shall be payable if the income does not exceed fifty pounds, and that the amount of tax payable in any case
15 shall, where necessary, be reduced so as not to exceed the amount by which the income exceeds fifty pounds", and substituting the words "and that the trustee shall be entitled to a deduction by way of special exemption of two hundred pounds and shall not be entitled to any
20 further deduction by way of special exemption".

Special exemption of £200 in respect of trustees' income.
1939, No. 34
1945, No. 37

(2) Section nine of the Land and Income Tax Amendment Act 1945 is hereby consequentially repealed.

21. Sections one hundred and thirty-nine and one hundred and forty of the principal Act are hereby
25 repealed.

Repealing special provisions as to procedure in Magistrates' Courts.

Schedule.

SCHEDULE

NEW PART B OF SCHEDULE TO THE LAND AND
INCOME TAX AMENDMENT ACT 1940

" PART B

" Rates Referred to in Clause 1 of Part A

On so much of the income as—		The rate of tax for every £1 shall be—	
		s.	d.
Does not exceed £100	3	0
Exceeds £100 but does not exceed £200	3	3
" £200	" £300	3	6
" £300	" £400	3	9
" £400	" £500	4	0
" £500	" £600	4	3
" £600	" £700	4	6
" £700	" £800	4	9
" £800	" £900	5	0
" £900	" £1,000	5	3
" £1,000	" £1,100	5	6
" £1,100	" £1,200	5	9
" £1,200	" £1,300	6	0
" £1,300	" £1,400	6	3
" £1,400	" £1,500	6	6
" £1,500	" £1,600	6	9
" £1,600	" £1,700	7	0
" £1,700	" £1,800	7	3
" £1,800	" £1,900	7	6
" £1,900	" £2,000	7	9
" £2,000	" £2,100	8	0
" £2,100	" £2,200	8	3
" £2,200	" £2,300	8	6
" £2,300	" £2,400	8	9
" £2,400	" £2,500	9	0
" £2,500	" £2,600	9	3
" £2,600	" £2,700	9	6
" £2,700	" £2,800	9	9
" £2,800	" £2,900	10	0
" £2,900	" £3,000	10	3
" £3,000	" £3,100	10	6
" £3,100	" £3,200	10	9
" £3,200	" £3,300	11	0
" £3,300	" £3,400	11	3
" £3,400	" £3,500	11	6
" £3,500	" £3,600	11	9
" £3,600	" 	12	0