

LAND AND INCOME TAX (ANNUAL) BILL

EXPLANATORY NOTE

THIS Bill fixes the rates of land tax, income tax, excess retention tax, and bonus issue tax for the year of assessment commencing on 1 April 1973.

No. 79—1

Price 5c

Hon. Mr Rowling

LAND AND INCOME TAX (ANNUAL)

ANALYSIS

| | |
|---|--|
| Title | |
| 1. Short Title | <i>Excess Retention Tax</i> |
| | 4. Rate of excess retention tax for year commencing 1 April 1973 |
| <i>Land Tax</i> | |
| 2. Rates of land tax for year commencing 1 April 1973 | <i>Bonus Issue Tax</i> |
| | 5. Rate of bonus issue tax for year commencing 1 April 1973 |
| <i>Income Tax</i> | Schedule |
| 3. Rates of income tax for year commencing 1 April 1973 | |

A BILL INTITULED

An Act to fix the rates of land tax, income tax, excess retention tax, and bonus issue tax for the year commencing on the 1st day of April 1973

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

10 **1. Short Title**—This Act may be cited as the Land and Income Tax (Annual) Act 1973, and shall be read together with and deemed part of the Land and Income Tax Act 1954* (hereinafter referred to as the principal Act).

*Reprinted 1972, Vol. 3, p. 1813

Land Tax

2. Rates of land tax for year commencing 1 April 1973—For the year commencing on the 1st day of April 1973, land tax shall be assessed, levied, and paid pursuant to Part V of the principal Act at the rates specified in Part I of the Schedule to this Act. 5

Income Tax

3. Rates of income tax for year commencing 1 April 1973—For the year commencing on the 1st day of April 1973, income tax shall be assessed, levied, and paid pursuant to Part VI of the principal Act at the rates specified in Part II of the Schedule to this Act. 10

Excess Retention Tax

4. Rate of excess retention tax for year commencing 1 April 1973—For the year commencing on the 1st day of April 1973, excess retention tax shall be assessed, levied, and paid pursuant to Part VIA of the principal Act at the rate specified in clause 7 of Part A of the First Schedule to that Act (as substituted by section 4 of the Land and Income Tax Amendment Act (No. 3) 1968). 15 20

Bonus Issue Tax

5. Rate of bonus issue tax for year commencing 1 April 1973—For the year commencing on the 1st day of April 1973, bonus issue tax shall be assessed, levied, and paid pursuant to Part VIB of the principal Act at the rate specified in clause 8 of Part A of the First Schedule to that Act (as substituted by section 4 of the Land and Income Tax Amendment Act (No. 3) 1968). 25

SCHEDULE

RATES OF LAND TAX AND INCOME TAX FOR THE YEAR COMMENCING ON 1 APRIL 1973

Part I—Land Tax

1. Subject to the provisions of clause 2 of this Part of this Schedule, the rates of land tax shall be as follows:

| On so much of the unimproved value on which land tax is payable as— | The rate of tax for every \$1 shall be— |
|---|---|
| Does not exceed \$20,000 | $\frac{5}{12}c$ |
| Exceeds \$20,000 but does not exceed \$30,000 | $\frac{7}{8}c$ |
| Exceeds \$30,000 but does not exceed \$40,000 | $1\frac{1}{4}c$ |
| Exceeds \$40,000 | $1\frac{3}{4}c$ |

2. In the assessment of every taxpayer, there shall be allowed from the land tax assessed in accordance with clause 1 of this Part of this Schedule a rebate of a sum equal to 50 percent of the tax so assessed.

Part II—Income Tax

1. Subject to the provisions of this Part of this Schedule, the rates of income tax shall be the basic rates of income tax as specified in the First Schedule to the principal Act (as substituted by section 4 of the Land and Income Tax Amendment Act (No. 3) 1968 and amended by sections 35 (2) and (3) and 37 (1) of the Land and Income Tax Amendment Act 1970 and sections 30 (1) and (2), 38 (1), and 39 (1) and (2) of the Land and Income Tax Amendment Act (No. 2) 1972).

2. In the assessment of every taxpayer, other than a company or a public authority or a non-resident mining operator within the meaning of section 153k of the principal Act in respect of his income from a mining venture within the meaning of the said section 153k or a trustee within the meaning of section 154c of that Act or a Maori authority under section 160 of that Act or an underwriter in respect of income assessable to him under section 203b of that Act, there shall be allowed from the amount of income tax assessed in accordance with clause 1 of this Part of this Schedule a rebate of an amount equal to 10 percent of the tax so assessed.

Provided that—

- (a) Where, in relation to a trustee, the basic rate of income tax is determined pursuant to paragraph (a) of clause 5 of Part A of the First Schedule to the principal Act (as so substituted and amended), nothing in this clause shall apply with respect to that trustee:
- (b) Where, in relation to a trustee, the basic rate of income tax is determined pursuant to paragraph (b) of the said clause 5, the rebate allowed to that trustee under the foregoing provisions of this clause shall not exceed the amount by which the amount of income tax assessed in accordance with clause 1 of this Part

*Land and Income Tax (Annual)*SCHEDULE—*continued*

of this Schedule to that trustee exceeds the amount which would have been the amount of income tax assessed under the said clause 1 to that trustee if the basic rate of income tax had been determined pursuant to paragraph (a) of the said clause 5.

3. This Part of this Schedule shall not apply to—

- (a) Any income tax where the amount of that income tax is determined exclusively and finally pursuant to any provision of Part II or Part III of the Income Tax Assessment Act 1957; or
- (b) Any non-resident withholding tax.