

1605

THE PROPERTY ASSESSMENT ACT.

Clause 2. This amends the definition of "company" so as to include companies and societies of all kinds excepting those specially exempted. In the interpretation of "company" in the Act of 1885, the words "formed wholly or mainly for the purpose of gain or profit divisible among the shareholders" were, by an oversight, inserted. They should have been omitted, as they were struck out of the exemption section (No. 18 Act, 1885). The consequence was, that an attempt to collect tax on some church properties was successfully resisted, an adverse judgment having been given in a case submitted to the Supreme Court.

Clause 3. This is to enable a mortgagor to recover tax paid by him on account of a foreign mortgagee. No provision existed in the Act of 1885 to provide for this.

Clause 4. Section 28 of the Act of 1885 is repealed and re-enacted so as to enable the tax to be recovered on reversionary interests in property. This was found to be a matter of difficulty under the original wording of the section. With the exception of two instances, the whole of the tax due for the past year on reversions of estates has been paid, and in these two cases proceedings will have to be taken for the recovery of the tax.

Clause 5. Under section 48 of the Act of 1885 all companies can claim to be taxed on the assessed value of their real property, whereas this was only intended to apply to land companies.

Each amendment proposed to be made by this Bill is necessary to secure the objects that were sought to be attained by "The Property Assessment Act, 1885."

1627

Hon. Sir R. Stout.

PROPERTY ASSESSMENT ACT AMENDMENT.

ANALYSIS.

Title.	4. Trustee of property held in reversion, &c. liable to tax.
1. Short Title.	5. Repeal of section 48 of "The Property Assessment Act, 1885." Form of statements of property of companies.
2. Amended definition of "company."	
3. Provision as to payment of tax by mortgagor in certain cases.	

A BILL INTITULED

AN ACT to amend "The Property Assessment Act, 1885."

Title.

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

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1. The Short Title of this Act is "The Property Assessment Act Amendment Act, 1886."

Short Title.

2. The definition of the word "company" in "The Property Assessment Act, 1885" (hereinafter termed "the said Act"), is hereby repealed.

Amended definition of "company."

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The word "company," where used in the said Act or this Act, means and includes a society of persons or incorporated body not being a friendly society constituted under "The Friendly Societies Act, 1882."

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3. Where a mortgagee of land is not resident in the colony and has no known agent therein authorized to pay the tax payable in respect of his interest in such mortgaged land under the said Act and any Act construed therewith, the mortgagor of such land shall be liable to pay such tax on behalf of the mortgagee; but the mortgagor shall be entitled to retain and deduct from any interest or other money payable by him to the mortgagee the amount of any tax paid by him in respect of the interest of the mortgagee as aforesaid.

Provision as to payment of tax by mortgagor in certain cases.

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4. The twenty-eighth section of the said Act is hereby repealed, and in lieu thereof it is enacted—

Trustee of property held in reversion, &c., liable to tax.

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(1.) The trustee of any property held in reversion, remainder, or expectancy, or subject to any future or reversionary interest of any kind, shall be chargeable with the tax payable in respect thereof in the same manner as if such property were his own, subject, however, to the provisions hereinafter contained:

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- (2.) Where any person has a beneficial interest in possession in any property held as aforesaid, such person shall be assessed in respect of such interest and be liable to taxation for the same, and the trustee shall only be liable for tax on the assessed value of the property, less the amount charged or liable to be charged in respect of such beneficial interest: 5
- (3.) If at any time the trustee shall prove to the satisfaction of the Commissioner that the property held by such trustee is not sufficiently productive to admit of the tax being collected without inflicting hardship on the beneficiaries, the Commissioner may from time to time agree to postpone the collection of such tax until such time as he shall think fit; and in the meanwhile, if the property shall consist of realty, the Commissioner shall be entitled to register a lien against the property in the manner mentioned in section one hundred and four of the said Act, as if he had obtained a judgment for non-payment of tax, and was entitled to proceed to a sale of the land: 10 15
- (4.) Notwithstanding anything herein contained the trustee shall make all returns and statements required by the said Act in respect of the whole property held by him as aforesaid. 15

The provisions of this section shall be deemed to have formed part of the said Act at the date of the passing thereof.

5. Section forty-eight of the said Act is hereby repealed, and in lieu thereof it is hereby enacted:— 25

The statements required to be made on behalf of companies, except as hereinafter mentioned, shall be to the effect following:—

- (1.) The real and personal property and debts of any such company shall be returned in such statement at the same value and amount, for the purposes of assessment, as are expressed in the balance-sheet issued to the shareholders of such company, or prepared for issue as aforesaid last prior to the date to which such statement relates, and a copy of such balance-sheet shall be attached to such statement. 30 35
- (2.) Specific particulars of the real property of such company shall be set forth in such statement.
- (3.) The names and statements expressed and contained in such balance-sheet shall, for all the purposes of this Act, be conclusive against and binding upon such company, but shall not necessarily be accepted by or be binding upon the Commissioner. Any portion of such property, real or personal, shall be liable to taxation, at the option of the Commissioner, either at its assessed value or at the value expressed in such balance-sheet. 40 45

Repeal of section 48 of "The Property Assessment Act, 1885."

Form of statements of property of companies.