



PUBLIC INFORMATION BULLETIN

Office of the Commissioner of Inland Revenue

Wellington

*To tax and to please, no more than to love and to be wise,
is not given to men.*

— Edmund Burke

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**ADVICE ON HYPOTHETICAL AND UNCOMPLETED TRANSACTIONS –
OVERSEAS TRENDS**

OVERSEAS TRENDS

WE WERE MOST INTERESTED TO READ A REPORT ON THIS SUBJECT FROM THE 1965 CONGRESS OF THE INTERNATIONAL FISCAL ASSOCIATION HELD IN LONDON LAST SEPTEMBER.

Noting the growing trend towards seeking advanced rulings on the tax consequences of contemplated transactions, the Congress adopted the following statement of desirable principles :

- " (1) *Taxpayers should be afforded an opportunity to obtain within a reasonable time advance rulings concerning the tax consequences of planned bona fide transaction at least if they are of material significance to the taxpayer or of general legal importance.*"
- " (2) *The opportunity to obtain advance rulings should not be limited to special problems nor to certain taxes, but in principle it should be possible to issue advance rulings concerning all taxes.*"
- " (3) *The fiscal authorities should, as a matter of practice, adhere to the position taken in an advance ruling upon which the taxpayer has acted in good faith. Any subsequent change in the law should be applied as far as possible without retrospective effect.*"
- " (4) *It is desirable that there should be a right to appeal against advance rulings in those countries where this is administratively and legally practicable.*"
- " (5) *It is desirable that a method of publication of advance rulings should be devised, to ensure the uniform application of the law.*"

AT HOME

Our Commissioner Mr L.J Rathgen has said –

"I will stand by any decision given on hypothetical and uncompleted transactions as long as all the facts have been given by the enquirer. Any changes later found necessary will apply to the future only".

In Public Information Bulletin No 12, issued in July 1964, we tell you when you can get decisions on such transactions. If you want advice on a hypothetical and uncompleted transaction write – giving all the facts – to your local District Commissioner.

FORWARD - THINKING EMPLOYERS - STAFF TOLD TAX NEWS

We believe our Public Information Bulletin helps people in all walks of life. Many employers have already told us that it helps them to answer their employees' tax queries. The most recent instance was the item in our December Bulletin on how to return income from boarders. This is why we write articles for the employee, the executive, the businessman, the farmer and the fisherman.

Perhaps, as an employer, you may like to help your employees with their tax queries. Many items in our Bulletins are written especially for employed people. Why not take these items out and let your employees know about them. Here is a short table which lists a few of those items from only three of our recent Bulletins.

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IMPORTANT MONTHS

The next 3 months are important for employed people. During March, Tax Code Declarations are filled in. April and May is the time for filing tax returns. We will be writing about these topics in future Bulletins.
