



Public Information Bulletin

INLAND REVENUE DEPARTMENT, HEAD OFFICE, P.O. BOX 2198, WELLINGTON, TELEPHONE: 721 032

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The Department's Technical Policy
Circulars are reproduced in this Bulletin.

FIRST AID ALLOWANCE

Preamble

Recently, Head Office has been asked if a first aid allowance is taxable in terms of section 65(2)(b) of the Income Tax Act, 1976.

Background

In some industrial awards or agreements, workers who hold a current first aid qualification are paid an hourly or weekly allowance.

Ruling

The allowance is a benefit allowance and as such is taxable in terms of section 65(2)(b) of the Income Tax Act, 1976. It is not paid to reimburse the recipient for expenditure incurred in gaining or producing assessable income and, therefore, there is no exemption under section 73(2) of the Act.

RATE OF EXPORT TAX CREDIT - AMENDMENT TO P.I.B. 140

PIB 140 should be amended as follows:

Export-Market Development and Tourist-Promotion Incentive page 24 - the rate for 1991 should read "nil".

Export-Market Development Activities Incentive Self-Employed Taxpayers page 25 - the rate for 1991 should read "nil".

For the income year commencing 1 April 1990 an ordinary deduction will be available for the above expenditure instead of a tax credit.

ADVERSE EVENT - RELIEF EXTENSION IN TERMS OF SECTION 94 INCOME TAX ACT 1976

The droughts which affected parts of Gisborne/Wairoa and declared "adverse events" on 18 February 1983 and 4 March 1985 respectively have been granted an extension of the relief provisions contained in section 94 in terms of the second proviso to subsection (2)(d) of the section. In addition to extending the period in which the farmer must acquire replacement livestock, this present season is declared to be adversely affected by drought, with effect from 1 December 1985.

The areas affected are:

Cook, Waiapu, Waikohu and Wairoa Counties.

Farmers in and adjoining the above areas may be entitled to relief, or an extension, of the relief provisions of section 94 of the Income Tax Act 1976.

Your nearest Inland Revenue Office will be pleased to assist you if you require any further information on this subject.

JOINT VENTURE FORESTRY AGREEMENTS - STAMP DUTY LIABILITY

Preamble

It was brought to the attention of Head Office that Joint Venture Forestry Agreements were being assessed for Stamp Duty purposes by some District Offices as Partnership Agreements and by others as Leases.

Facts

A copy of one of the Agreements was obtained and a legal opinion requested. It was concluded that the Agreements did not constitute Partnership Agreements and that they were Leases for Stamp Duty purposes.

Ruling

Joint Venture Forestry Agreements are Leases for the purposes of section 8 of the Stamp and Cheque Duties Act 1971 and duty is to be assessed under section 26(1)(b) of that Act. The Department's authority for valuing the consideration is contained in section 47(1)(a) of the Stamp and Cheque Duties Act.

PRESS RELEASE

The following text is a press release issued by the Office of the Commissioner of Inland Revenue during June 1986.

SIMPLE TAX RETURNS

A new IR 5 income tax return and guide for most salary and wage earners and superannuitants is being developed by Inland Revenue Department.

To find out how users think the present return and guide can be improved the Department will soon be writing to a random sample of taxpayers and asking for their suggestions.

The Department is aiming to use more simple words and better design so that the return and guide are easier to read, understand and fill in.

Before a new return and guide are released, they will be tested to make sure that taxpayers who usually fill in their own returns do find them easier to complete.

Please quote the source if using information extracted from this publication.

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