

New Zealand.



REPEALED: See

Schedule to

Act, 1923 No. 21

ANALYSIS.

Title.

1. Short Title.

Land-tax.

2. Reduction of super land-tax.

3. New valuations to operate as from 31st March succeeding application for revaluation.

Land-tax on Native Land.

4. Limitation of tax on Native land.

Income-tax.

5. Rates of income-tax for year commencing 1st April, 1922.

6. Losses incurred in business may be set off against profits earned within three following years.

7. Special provisions as to resident companies carrying on business out of New Zealand.

8. Exemption in respect of children.

9. War pensions exempt from income-tax.

10. Deduction from income derived from removal or sale of timber or coal.

11. Losses incurred by taxpayer in one business may be set off against profits earned in other business.

12. Reduction of rate of tax on premiums in respect of contracts of insurance with foreign companies not carrying on business in New Zealand.

13. Section 13 of Finance Act, 1921 (No. 2), amended.

14. Special provision as to business carried on by husband and wife.

Schedule.

1922, No. 12.

AN ACT to amend the Land and Income Tax Act, 1916.

Title.

[28th October, 1922.]

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

1. This Act may be cited as the Land and Income Tax Amendment Act, 1922, and shall be read together with and deemed part of the Land and Income Tax Act, 1916 (hereinafter referred to as the principal Act).

Short Title.

Land-tax.

2. The Schedule to the Land-tax (Annual) Act, 1922, is hereby amended by omitting from clause three the reference to twenty per centum, and substituting a reference to ten per centum.

Reduction of super land-tax.

3. (1.) For the purposes of the principal Act, when a new valuation of any land is made by the Valuer-General pursuant to section thirty-six of the Valuation of Land Act, 1908, the amended value shall be deemed to be the value appearing on the district valuation roll on the thirty-first day of March next succeeding the date of the application for a new valuation, notwithstanding that the new valuation may not then have been actually made.

New valuations to operate as from 31st March succeeding application for revaluation.

(2.) This section shall be deemed to have been in force as from the first day of April, nineteen hundred and twenty-one.

Land-tax on Native Land.

Limitation of tax
on Native land.

4. Notwithstanding anything to the contrary in section twenty-six of the Finance Act, 1917, no Native shall, for any year of assessment, be chargeable with an amount of land-tax in respect of his interest in Native land in excess of one-fourth of the total revenue derived or derivable from that land in respect of the year ending on the thirty-first day of March preceding the year of assessment.

Income-tax.

Rates of income-tax
for year commencing
1st April, 1922.

5. For the year commencing on the first day of April, nineteen hundred and twenty-two, income-tax shall be assessed, levied, and paid pursuant to the principal Act at the rates specified in the Schedule hereto.

Losses incurred in
business may be set
off against profits
earned within three
following years.

6. (1.) Nothing in this section shall apply with respect to any loss incurred by a taxpayer prior to the year commencing on the first day of April, nineteen hundred and twenty-three.

(2.) For the purposes of this section any loss incurred by a taxpayer shall be ascertained in accordance with the provisions of the principal Act for the calculation of assessable income.

(3.) Notwithstanding anything to the contrary in the principal Act, any taxpayer who satisfies the Commissioner that he has in any year incurred a loss in any business carried on by him shall be entitled to claim that such loss be carried forward and, so far as may be, deducted from or set off against his assessable income for the three following years:

Provided that any relief under this section shall be given so far as possible from the first assessment within the aforesaid period of three years, and, so far as it cannot then be given, shall be given from the next assessment, and so on.

Special provisions
as to resident
companies carrying
on business out of
New Zealand.

7. Any company resident in New Zealand and carrying on business exclusively in any of the islands of the Pacific Ocean, not being British possessions, shall be assessable for income-tax only in respect of such part of its income as is received in New Zealand.

Exemption in
respect of children.

8. The special exemption allowed by section eighty-two of the principal Act, in respect of the dependent children of a taxpayer, shall apply in respect of his dependent stepchildren or grandchildren:

Provided that a special exemption for any year shall not be allowed to any taxpayer in respect of any grandchild if an exemption in respect of such child has been allowed for that year to either parent of the child.

War pensions
exempt from
income-tax.

9. In addition to the exemptions provided for by section eighty-four of the principal Act, the income derived by any person from any pension under the War Pensions Act, 1915, shall be exempt from taxation.

Deduction from
income derived from
removal or sale of
timber or coal.

10. The proviso to paragraph (d) of section eighty-five of the principal Act, as appearing in section twenty-nine of the Finance Act, 1917, is hereby amended by inserting, after the word "timber" wherever it occurs, the words "or coal."

11. Section eighty-six of the principal Act is hereby amended—

Losses incurred by taxpayer in one business may be set off against profits earned in other business.

(a.) By repealing paragraph (a) of subsection one:

(b) By repealing subsection two, and substituting the following subsection:—

“(2.) In calculating the assessable income of any person deriving such income from one source only, any expenditure or loss exclusively incurred in the production of the assessable income for any income-year may be deducted from the total income derived for that year. In calculating the assessable income of any person deriving such income from two or more sources, any expenditure or loss exclusively incurred in the production of assessable income for any income-year may be deducted from the total income derived by the taxpayer for that year from all such sources as aforesaid. Save as herein provided, no deduction shall be made in respect of any expenditure or loss of any kind for the purpose of calculating the assessable income of any taxpayer.”

12. Section nine of the Finance Act, 1921 (No. 2), is hereby amended by omitting from subsection one the words “ten per centum,” and substituting the words “five per centum.”

Reduction of rate of tax on premiums in respect of contracts of insurance with foreign companies not carrying on business in New Zealand.

13. Section thirteen of the Finance Act, 1921 (No. 2), is hereby amended by omitting the word “assessable,” and substituting the word “taxable.”

Section 13 of Finance Act, 1921 (No. 2), amended.

14. For the purposes of the principal Act a husband and wife carrying on business together shall not be deemed to be carrying on business as partners unless in fact they are carrying on business under a deed of partnership.

Special provision as to business carried on by husband and wife.

SCHEDULE.

Schedule.

RATES OF INCOME-TAX FOR THE YEAR COMMENCING ON THE 1ST APRIL, 1922.

1. ON income assessable under subsection (3) of section 112 of the principal Act the rate of income-tax shall be 3s. for every £1 thereof.

2. On income assessable under subsection (3) of section 24 of the Land and Income Tax Amendment Act, 1920, the rate of income-tax shall be 2s. 6d. for every £1 thereof.

3. On the taxable income of all taxpayers other than those referred to in clause 1 or clause 2 of this Schedule the rates of income-tax shall be as follows:—

(a.) Where the income on which tax is payable does not exceed £400, the rate shall be 1s. for every £1 thereof.

(b.) Where such income exceeds £400 but does not exceed £6,000, the rate shall be 1s. for every £1 thereof, increased by one-hundredth part of 1d. for every £1 in excess of £400.

(c.) Where such income exceeds £6,000, the rate shall be 5s. 8d. for every £1 thereof, increased by one two-hundredth part of 1d. for every £1 in excess of £6,000, but so as not to exceed in any case the rate of 7s. 4d. in the £1.

4. The income-tax payable by any taxpayer as hereinbefore provided shall be reduced by 10 per centum of so much thereof as is levied in respect of earned income:

Provided that if the earned income of a taxpayer for any year exceeds £2,000 the reduction provided for by this clause shall be made only in respect of the sum of £2,000.