

1892.
NEW ZEALAND.

LAND AND INCOME TAXES

(REPORT AS TO), BY THE COMMISSIONER OF TAXES).

Laid on the Table by the Hon. J. Ballance, with Leave of the House.

The COMMISSIONER of TAXES to the Hon. the PREMIER.

SIR,—

Land- and Income-tax Department, Wellington, 7th July, 1892.

I have the honour to submit results, as far as ascertained, of the assessment of land and income. It will be understood that exact figures cannot yet be arrived at, but those I state may be relied on as accurate. I make sufficient allowance for alterations that may have to be given effect to in respect of assessments for land-tax and graduated land-tax, including reductions made by Boards of Review.

The ordinary land-tax is taken at 1d. in the pound on land and mortgages, less amounts owing on mortgage, and less the value of improvements up to £3,000 for each owner and the exemption—that is to say, the scheme laid down in the Land and Income Assessment Act. It must be remembered that assessments have, in all cases, to be again checked before demands for tax are sent out, and sending out demands always leads to claims for reduction in assessments.

The total taxable value for land-tax is £55,105,920, which at 1d. in the pound gives £229,608. In levying the tax it would be prudent not to estimate its yield at more than £219,608, a deduction of £10,000, which will be sufficient to cover all reductions that can be necessary.

The graduated tax is on the unimproved value, no deduction being conceded for mortgages, and no exemption being granted. I have not had the additional absentee graduated tax yet calculated, but the amount will not be important as regards the revenue. I anticipate that many alterations may have to be made in finally adjusting the assessments for graduated tax; and, although the result now comes out at £72,307, it would be prudent in levying a tax to allow for a possible reduction of £5,000.

A table giving values and tax in the various grades is attached.

The yield of income-tax from companies, including tax on debentures, is still to a great extent an estimate, but it may be set down, at 1s. in the pound, as £47,000. I hope shortly to have more exact information under this head.

The total debenture debt of companies is about £10,000,000.

Returns of income from firms and persons give these totals, an exemption of £300 being deducted:—

Business,—		£	£
Up to £1,000, £470,437 at 6d. ...	...	11,761	
Over £1,000, £298,893 at 1s. ...	...	14,944	
			26,705
Employment and emolument,—			
Up to £1,000, £434,011 at 6d. ...	...	10,850	
Over £1,000, £63,766 at 1s. ...	...	3,188	
			14,038
Summary of income-tax,—			
Companies ...	...		47,000
Business ...	...		26,705
Employment and emolument ...	...		14,038
Total ...	...		£87,743

Time has not permitted any scrutiny of returns of income. I am certain that many returns will be materially increased upon investigation, and that the number received will be largely added to as soon as demands are sent out to those persons who have neglected to forward returns. I estimate that the present result, £40,743, will be increased to £45,000.

To summarise the foregoing, I may state that the following may be accepted as the results that will be reached:—

Land-tax	...	...	...	...	...	...	£219,608
Graduated land-tax	...	...	...	...	...	...	67,307
Income-tax—							
Companies	...	...	...	...	...	...	47,000
Business, employment, and emolument	...	...	...	...	...	...	45,000
Total	...	...	...	...	...	...	£378,915

I have, &c.,
C. M. CROMBIE, Commissioner of Taxes.

The Hon. the Colonial Treasurer.

GRADUATED LAND-TAX.

Value of Owners' Land, less all Improvements.						Total Value in Class.	Rate of Tax.	Tax.
						£	d.	£
£5,000 and less than	£10,000	...	...	...	...	4,906,830	0 ¹ / ₈	2,555
10,000	"	20,000	...	...	...	4,955,331	0 ² / ₈	5,162
20,000	"	30,000	...	...	...	2,726,228	0 ³ / ₈	4,259
30,000	"	40,000	...	...	...	2,008,197	0 ⁴ / ₈	4,184
40,000	"	50,000	...	...	...	1,338,394	0 ⁵ / ₈	3,484
50,000	"	70,000	...	...	...	3,095,334	0 ⁶ / ₈	9,672
70,000	"	90,000	...	...	...	1,612,060	0 ⁷ / ₈	5,877
90,000	"	110,000	...	...	...	769,462	1	3,206
110,000	"	130,000	...	...	...	932,138	1 ¹ / ₈	4,369
130,000	"	150,000	...	...	...	133,259	1 ² / ₈	694
150,000	"	170,000	...	...	...	1,140,777	1 ³ / ₈	6,534
170,000	"	190,000	...	...	...	357,309	1 ⁴ / ₈	2,233
190,000	"	210,000	202,373	1 ⁵ / ₈	1,370
210,000 and over	2,565,678	1 ⁶ / ₈	18,708
Total						26,743,370		72,307

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