

1893.

NEW ZEALAND.

INCOME-TAX.

(LETTER FROM GENERAL MANAGER OF COLONIAL BANK OF NEW ZEALAND.)

Laid on the Table by the Hon. Mr. Ward, with the Leave of the House.

The Colonial Bank of New Zealand, Head Office,
Dunedin, 11th August, 1893.

SIR,—

I have the honour to bring to your notice that from the letter of 28th July last, addressed to you by the Commissioner of Taxes, and laid by you on the table of the House of Representatives, it appears that the total income-tax paid by the six banks doing business in New Zealand for the financial year 1892-93 was £3,076. The proportion of the foregoing amount paid by this bank was £1,234 2s.; or, as nearly as possible 40 per cent. of the whole amount; while taking the average liabilities and assets of the six banks for the quarter ended 30th June last, as per the New Zealand Government *Gazette*, the proportion of business done by this bank as against the whole was 13·24 per cent.

It is evident, therefore, that, by paying income-tax under the present system, this bank pays 40 per cent. of the whole income-tax paid by banks, while its proportion of business done is only 13·24 per cent., and it also appears that two banks out of the six, while doing important business in the colony, pay no income-tax at all. The proper amount of tax, therefore, which this bank should have paid proportionately to its business would have been only £407, or £827 less than it actually paid.

Considering that nearly the whole of this bank's profits are divided in the colony, it would appear that the above undue proportion of tax deducted from these profits is unjust and unfair to local enterprise. May I, therefore, respectfully suggest for the consideration of the Government that an amendment of the law be made whereby a more equitable mode of raising from banks the amount of the present income-tax be adopted—viz.: proportionate payment according to the added assets and liabilities of each bank during the year preceding that in which the tax is collected.

I have, &c.,

H. MACKENZIE,

General Manager.

The Hon. the Colonial Treasurer, Wellington.

Approximate Cost of Paper.—Preparation, not given; printing (1,400 copies), 16s.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1893.

Price 3d.]

