

1907.  
NEW ZEALAND.

# PUBLIC ACCOUNTS COMMITTEE

(REPORT OF) ON THE LAND AND INCOME ASSESSMENT BILL; TOGETHER WITH THE MINUTES OF PROCEEDINGS.

*Report brought up on the 11th September, 1907, and ordered to be printed.*

## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

THURSDAY, THE 11TH DAY OF JULY, 1907.

*Ordered*, "That a Committee, consisting of ten members, be appointed to examine into and report on such questions relating to the Public Accounts as it may think desirable or that may be referred to it by the House or the Government, and also into all matters relating to the finances of the colony which the Government may refer to it; three to be a quorum: the Committee to consist of Hon. Mr. McNab, Mr. J. Allen, Mr. E. G. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, and the mover."—(Right Hon. Sir J. G. WARD.)

TUESDAY, THE 20TH DAY OF AUGUST, 1907.

*Ordered*, "That the Land and Income Assessment Bill be referred to the Public Accounts Committee for consideration and report within fourteen days."—(Right Hon. Sir J. G. WARD.)

## REPORT.

THE Public Accounts Committee, to whom was referred the Land and Income Assessment Bill, have the honour to report that they have carefully considered the same, and recommend that it be allowed to proceed, with the amendments shown on the copy attached hereto.

11th September, 1907.

C. H. MILLS, Chairman.

## MINUTES OF PROCEEDINGS.

TUESDAY, 27TH AUGUST, 1907.

The Committee met at 11 a.m.

*Present*: Mr. E. G. Allen, Mr. J. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

The minutes of the previous meeting were read and confirmed.

The order of reference referring the Land and Income Assessment Bill to the Committee was read.

*Resolved*, That clause 1 as printed stand part of the Bill.

*Resolved*, That clause 2 as printed stand part of the Bill.

*Resolved*, That clauses 3 and 4 be postponed for future consideration.

*Resolved*, That clause 5 as printed stand part of the Bill.

*Resolved*, That clause 6 as printed stand part of the Bill.

## Clause 7.

On the question being put, "That subclause (1) as printed stand part of the clause," the Committee divided, and the names were taken down as follows:—

*Ayes*, 8.—Mr. E. G. Allen, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

*Noes*, 1.—Mr. J. Allen.

So it was resolved in the affirmative.

The Right Hon. Sir J. G. Ward proposed to strike out the word "superficial" on line 40, subclause (2), and the word "superficial" on line 43, subclause (2).

After discussion it was resolved that subclauses (2), (3), (4), and (5) be postponed for future consideration.

## Clause 8.

The meeting then adjourned.

WEDNESDAY, 4TH SEPTEMBER, 1907.

The Committee met at 10.30 a.m.

*Present*: Mr. E. G. Allen, Mr. J. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

The minutes of the previous meeting were read and confirmed.

*Land and Income Assessment Bill.*

## Clause 8.

*Resolved*, That subclauses (1), (2), and (3) as printed stand part of the clause.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by adding the following new subclause:—

"(4.) This section shall not apply to companies, but shall apply to shareholders in companies in accordance with the provisions of section eleven of this Act."

*Resolved*, That clause 8 as amended stand part of the Bill.

## Clause 9.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (1) be amended by striking out the words "in possession" in line 29.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (1) be amended by striking out the words "in possession" in line 30.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the subclause be amended by inserting the words "to the exclusion of any person entitled in revision or remainder" after the word "fee-simple" in line 31.

*Resolved*, That the subclause as amended stand part of the clause.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out subclause (2).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out subclause (3).

*Resolved*, That clause 9 as amended stand part of the Bill.

## Clause 10.

*Resolved*, That subclause (1) as printed stand part of the clause.

*Resolved*, That subclause (2) as printed stand part of the clause.

Mr. J. Allen proposed, and the question was put, "That the following new subclause (2A) be inserted:—

"The foregoing subsections shall not apply to *bona fide* leases in existence at the passing of this Act during the term of the existing lease.'"

The Committee divided, and the names were taken down as follows:—

*Ayes*, 1.—Mr. J. Allen.

*Noes*, 7.—Mr. E. G. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

And so it passed in the negative.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (3) be amended by inserting the words "in any business premises as hereinbefore defined or."

*Resolved*, That subclause (3) as amended stand part of the clause.

*Resolved*, That clause 10 as amended stand part of the Bill.

## Clause 11.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (1) be amended by adding the words "and shall be entitled to the same deduction as is therein provided" at the end of the subclause.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out subclause (2).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (3) be amended by inserting the words "and the next succeeding" before the word "section" in line 16.

*Resolved*, That subclause (4) as printed stand part of the clause.

*Resolved*, That clause 11 as amended stand part of the Bill.

## Clause 12.

*Resolved*, That clause 12 as printed stand part of the Bill.

## Clause 13.

*Resolved*, That subclause (1) as printed stand part of the clause.

*Resolved*, That subclauses (2), (3), (4), and (5) be postponed for future consideration.

## Clause 14.

*Resolved*, That clause 14 be postponed for future consideration.

## Clause 15.

*Resolved*, That clause 15 as printed stand part of the Bill.

## Clause 16.

*Resolved*, That clause 16 be postponed for future consideration.

## Clause 17.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the words "whether made before or after the passing of this Act" after the word "land" in line 45.

*Resolved*, That the clause as amended stand part of the Bill.

## Clause 18.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the word "payable" in line 9.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the word "paid" be inserted in lieu thereof.

*Resolved*, That the clause as amended stand part of the Bill.

## Clause 19.

*Resolved*, That the clause be amended by inserting the figure (1) after the figure 19.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the following new subclause:—

"(2.) Notwithstanding anything in this section, a trustee, executor, or administrator may be assessed for graduated land-tax in respect of the interest of any beneficiary in the land owned by the trustee, executor, or administrator at the rate at which the beneficiary himself is liable to be assessed, when by reason of the ownership of other land or for any other reason the beneficiary is liable to be assessed at a higher rate than that at which the trustee, executor, or administrator would be assessed independently of this section."

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the following new subclause:—

"(3.) Section three of the principal Act is hereby amended by omitting from the proviso to the definition of 'owner' the words 'of assessing the rate of graduated tax or.'"

*Resolved*, That clause 19 as amended stand part of the Bill.

*Resolved*, That clause 20 as printed stand part of the Bill.

*Resolved*, That clause 21 as printed stand part of the Bill.

*Resolved*, That the Bill as amended be reprinted.

The Chairman intimated that Mr. Graham was unable to attend, owing to attendance on other Committees.

The Committee then adjourned until 10.30 a.m. on Thursday, the 5th September, 1907.

## THURSDAY, 5TH SEPTEMBER, 1907.

The Committee met pursuant to notice at 10.30 a.m.

*Present*: Mr. J. Allen, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills.

The minutes of the previous meeting were read, amended, and confirmed.

Mr. Laurenson asked that it be recorded in the minutes that he was unable to attend the previous meeting owing to urgent public business.

*Resolved* on the motion of Mr. Flatman, That the Committee do adjourn.

## TUESDAY, 10TH SEPTEMBER, 1907.

The Committee met at 11 a.m. pursuant to notice.

*Present*: Mr. E. G. Allen, Mr. J. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

The minutes of the previous meeting were read and confirmed.

*Land and Income Assessment Bill.*

## Clause 22.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the words "timber or flax" in lines 19 and 20, and the words "timber or flax" in line 21.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (2) be amended by striking out the words "or other valuable thing" in line 24.

Mr. J. Allen moved to amend the clause by striking out the word "clay" in line 24, subclause (2).

On the question being put, "That the word proposed to be struck out stand part of the subclause," the Committee divided, and the names were taken down as follows:—

*Ayes, 8.*—Mr. E. G. Allen, Mr. Colvin, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

*Noes, 2.*—Mr. J. Allen, Mr. Flatman.

And so it passed in the negative.

The Right Hon. Sir J. G. Ward moved to insert in lieu of the words "or other valuable thing" the words "gravel, sand, or precious stones," in line 24, subclause (2).

On the question being proposed, "That the clause be amended by inserting the words 'gravel, sand,'" the Committee divided, and the names were taken down as follows:—

*Ayes, 9.*—Mr. E. G. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

*Noes, 1.*—Mr. J. Allen.

And so it was resolved in the affirmative.

*Resolved*, That the clause be amended by inserting the words "or precious stones" after the words "Gravel, sand," in line 24.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (2) be amended by inserting the words "on or" after the word "existing" in line 24.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That subclause (3) be amended by striking out the words "timber or flax" in line 27.

*Resolved*, That subclause (5) stand over.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out subclauses (6) and (7).

*Resolved*, That clause 3 as printed stand part of the Bill.

*Resolved*, That clause 4 as printed stand part of the Bill.

Clause 7.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the word "superficial" in line 40, subclause (2).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the words "is contiguous thereto" in line 41, subclause (2).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the words "immediately adjoins the said building" be inserted in lieu thereof.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the word "superficial" in line 43, subclause (2).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the words "or intended to be used" in line 46, subclause (3).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by adding the following new subclause:—

"(6.) This section shall commence to take effect with respect to the graduated land-tax payable for the year ending on the thirty-first day of March, nineteen hundred and nine."

*Resolved*, That clause 7 as amended stand part of the Bill.

Clause 10.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by adding the following new subclause:—

"(4.) The provisions of this section shall not apply to any leasehold estate existing at the time of the passing of this Act, unless the owner of such leasehold estate or his predecessor in title has been at any time within five years next before the passing of this Act the owner at law or in equity of a freehold estate in the land which is subject to such lease."

*Resolved*, That the clause as amended stand part of the Bill.

Clause 13.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out the words "in respect of his individual interest in the joint estate" in lines 6 and 7, subclause (4).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the words "so far as such tax exceeds the graduated land-tax that would be payable by him if he owned no interest in any joint estate" after the word "subsection" in line 8, subclause (4).

*Resolved*, That clause 13 as amended stand part of the Bill.

Clause 11.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the words "subsections three and four of" after the words "provided by" in line 17, subclause (1).

*Resolved*, That clause 11 as amended stand part of the Bill.

Clause 16.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out subsection (1).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the following new subclause in lieu thereof:—

"(1.) When any agreement has been made for the sale of land, whether before or after the passing of this Act, and whether the same has been completed by conveyance or not, the seller shall

be deemed to remain the owner of the land for the purposes of this Act (though not to the exclusion of the liability of any other person) until possession of the land has been delivered to the purchaser and at least fifteen per centum of the purchase-money has been paid."

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the words "and all money lent to the purchaser by the seller" after the word "land" in line 45, subclause (2).

*Resolved*, That clause 16 as amended stand part of the Bill.

Clause 21.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by striking out all the words after the words "shall be" in subclause (3).

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by substituting the following words in lieu thereof: "deemed for the purposes of this Act, so long as such possession continues (though not to the exclusion of the liability of any other person) to be the beneficial owner of the estate or interest which is subject to such mortgage or other security, and shall be liable for graduated land-tax accordingly; but there shall be deducted from the tax so payable by him the amount of graduated land-tax (if any) paid in respect of such estate or interest by the mortgagor or other owner thereof."

*Resolved*, That clause 21 as amended stand part of the Bill.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the Bill be amended by inserting the following new clause:—

"21A. (1.) For the purposes of this Act all standing timber shall be assessed at half its value and no more, and the liability of all persons for graduated land-tax shall be determined accordingly.

"(3.) This section shall commence to take effect in respect of land-tax payable for the year commencing on the first day of April, nineteen hundred and seven."

Clause 23.

*Resolved*, That clause 23 be amended by striking out subsection (3).

*Resolved*, That clause 23 as amended stand part of the Bill.

Clause 21A.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the clause be amended by inserting the following new subclause:—

"(2.) The increase of twenty-five per centum provided for in section seven of this Act shall not be added to any land-tax payable in respect of standing timber."

*Resolved*, That clause 21A as amended stand part of the Bill.

Clause 22.

*Resolved*, That subclause (5) as printed stand part of the clause.

*Resolved*, That clause 22 as amended stand part of the Bill.

*Resolved*, That the Schedule as printed stand part of the Bill.

*Resolved*, That the Bill as amended be printed.

The meeting then adjourned until 11 a.m. on Wednesday, the 11th September.

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WEDNESDAY, 11TH AUGUST, 1907.

The Committee met at 11 a.m.

*Present*: Mr. J. Allen, Mr. Colvin, Mr. Flatman, Mr. W. Fraser, Mr. Laurenson, Hon. Mr. Mills, Hon. Mr. McNab, Right Hon. Sir J. G. Ward.

The minutes of the previous meeting were read and confirmed.

The Right Hon. Sir J. G. Ward said that he intended to ask the Committee to recommit clause 7, but on reading a statement by Professor Salmond he had decided not to do so.

*Resolved* on the motion of the Right Hon. Sir J. G. Ward, That the Bill as amended, together with a copy of the minutes of proceedings, be reported to the House.

The Committee then adjourned.

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*Approximate Cost of Paper*.—Preparation, not given; printing (1,500 copies), £3 11s. 6d.

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By Authority: JOHN MACKAY, Government Printer, Wellington.—1907.

Price 6d.]

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