

*Exemptions.*—Land shall be exempt from land-tax in the following cases and to the following extent :—

- (a.) Land owned by or in trust for a local or public authority :
- (b.) Land owned by or in trust for a university, college, high school, or other public educational institution in New Zealand not carried on for private pecuniary profit :
- (c.) Land owned by or in trust for a separate institution under the Hospitals and Charitable Institutions Act, 1909 :
- (d.) Land owned by or in trust for a friendly society, a registered building society, or a savings-bank established under the Savings-banks Act, 1908 :
- (e.) Land owned by or in trust for a society incorporated under the Agricultural and Pastoral Societies Act, 1908, and used by that society as a showground or place of meeting :
- (f.) Land owned by or in trust for any company and used by that company as a permanent-way of a public railway or tramway, or for yards and buildings used for the purposes of the traffic on that railway or tramway :
- (g.) Land owned by or in trust for a society incorporated under the Libraries and Mechanics' Institutes Act, 1908, and used by that society as a site for the purposes of the society :
- (h.) Land owned by or in trust for any society or trustees and used by such society or trustees (otherwise than for private pecuniary profit) as the site of a public library, public museum, public cemetery, or burial-ground, public recreation-ground, or public garden, domain, or reserve :
- (i.) Land owned by or in trust for any society or institution established exclusively for charitable, educational, religious, or scientific purposes of a public nature, and not carried on for private pecuniary profit, if the land is used as a site for the purposes of that society or institution :

Provided that if any such site exceeds 15 acres in extent, this exemption shall be limited to 15 acres thereof to be selected by the Commissioner :

- (j.) Native customary land within the meaning of the Native Land Act, 1909.

*Special Provisions.*—(1.) Any person leasing land shall for the purposes of the Act be deemed to be the owner of the fee-simple of such land, and shall be assessed and liable for land-tax on the aggregate value of the leased land and any land of which he is the owner of the freehold. A deduction of the tax payable by the owner of the freehold estate in the leased land is allowed in the assessment made against the lessee under this section.

The above provision does not apply to leasehold estates in any land of the Crown, or in any Native land, or any land where the lease was in existence on the 26th October, 1907.

(2.) The owner of a life estate in land shall be deemed for the purposes of the Act to be the owner of the fee-simple to the exclusion of the reversioner.

(3.) Joint owners shall be assessed in respect of land owned by them as if it was owned by a single person, without regard to their respective interests in the land, and only one special exemption shall be allowed. In addition each owner shall be assessed in respect of his individual interests in the joint estate, together with any other land owned by him in severalty, and with his individual interest in any other land. From the aggregate assessment so made a deduction of his share of the tax payable in respect of the joint estate is provided for.

(4.) For the above purposes the land of a company shall be deemed to be owned by the shareholders in the proportion which their interest in the paid-up capital bears to the whole.

(5.) Joint occupiers for the same purpose are liable as if they were joint owners.

(6.) No disposition of land is effective for purposes of land-tax so long as possession is retained.

The common object of all the above special provisions is the aggregation of value of the taxpayers' interests in all land owned, occupied, worked, or used for his benefit so that the highest graduated rate of tax may be imposed, provision being made for the credit of any land-tax paid in respect of the same interests taxed in any other assessment.

*General.*—Taxpayers are required to notify the sale of land in any year to the Commissioner ; failure to do this makes them liable for another year's tax on the same, with, however, right of recovery from the purchaser. Land-tax may, when the assessed taxpayer has made default in payment, be recovered from the mortgagee, the successor in title, or the tenant of the land at the time of the demand. Provision is made for recovery of tax so paid as a debt, to retain it out of moneys due or payable to the taxpayer, and in the case of a mortgagee he may add the amount so paid to the principal sum of the mortgage.

*Rates of Land-tax.*—(1) Where the unimproved value does not exceed £1,000, the rate of land-tax is 1d. for every £1 thereof ; (2) where the unimproved value exceeds £1,000, the rate is 1d. for every £1 thereof increased by one twenty-thousandth part of 1d. for every £1 in excess of £1,000, but so as not to exceed  $7\frac{1}{2}$ d. in the pound. Absentees are charged 50 per cent. additional. Owners of undeveloped land are also charged 50 per cent. additional, and no deductions by way of special exemptions allowed (see paragraph 5, page 17.) Native land is charged at half rates. Land owned by a religious society is also charged at half rates.

#### *Income-tax.*

*Income charged.*—In general the tax applies to—(1) All income derived by any person resident in New Zealand at the time when he derives that income, whether it is derived from New Zealand or elsewhere ; and (2) all income derived from New Zealand whether the person deriving that income is resident in New Zealand or elsewhere, subject to the following limitations : (a) Exemption is allowed in respect of the income arising in and subject to income-tax in another part of the British Dominion ;