

(b) DISTRIBUTION.

The distribution of the proceeds from the petrol-tax between the Main Highways Board and boroughs with populations of 6,000 and over was as follows for the year ended 31st March, 1931 :—

	£
Main Highways Board	1,219,209
Boroughs (population of 6,000 and over)	80,841
Total	<u>£1,300,050</u>

N.B.—After the 1st August, 1930, the proportion of the petrol-tax paid to boroughs with populations of 6,000 and over was reduced from 8 per cent. to $5\frac{1}{2}$ per cent. (section 38, Finance Act, 1930).

For the year ended 31st March, 1931, the One Tree Hill Borough was added to the list of boroughs qualified to participate in a direct share of the petrol-tax.

The distribution of the petrol-tax amongst boroughs in accordance with section 9 (1) (b) of the Motor-spirits Taxation Act, 1927, for the year ended 31st March, 1931, together with cumulative figures showing the total distribution from the inception of the petrol-tax up to 31st March, 1931, is given in Table 7 in the Appendix.

(c) CLASSIFICATION ACCORDING TO VEHICLES.

The following figures show the net yield from the petrol-tax for the year ended 31st March, 1931, split up according to the nature of the vehicle in which the motor-spirits was consumed :—

Kind of Vehicle.	Amount.	Percentage of Total.
	£	
Motor-cars	794,000	61
Trucks	370,000	28
Omnibuses	68,000	5
Motor-cycles	54,000	4
Balance, covering other motor-vehicles and other uses of motor-spirits for which refunds were not claimed	14,000	2
	<u>1,300,000</u>	<u>100</u>

N.B.—Service-cars designed to carry not more than nine persons are included with motor-cars, while those designed to carry more than nine persons are included with omnibuses.

Motor-spirits in respect of which refunds of the tax were made have not been included above.

The above figures are obviously inconclusive as evidence of the incidence of the petrol-tax. Like all taxes, this one may shift either backwards to the producers of the benzine, or forward to the consumers of motor transport services, while a certain amount of the burden may be carried for a time by the operators of motor transport services.

In the long-run the petrol-tax will tend to be shifted forward to the consumers of motor transport services, and, in so far as the increased cost of these services causes a diminution in the demand for them, a proportion of the tax will also, in the long-run, be cast upon the producers of motor-vehicles and equipment, in the form of losses of business consequent on a diminished demand.

For the year ended 31st March, 1931, passenger transport effected by motor-cars, motor-omnibuses, and motor-cycles contributed £70 out of every £100 of the total yield from the petrol-tax, against £28 out of every £100 from trucks. Thus the petrol-tax derived from the carriage of passengers in motor-vehicles is over twice that derived from the transportation of commodities. A further analysis of the motives lying behind the movement of persons (impossible at this stage) would shed further light on this question. Investigations by the Department indicate that approximately 50 per cent. of the total cost of operating motor-cars in New Zealand is for purposes of a non-business nature.

On pages 68 and 69 of the last report of the Royal Commission on Transport in Great Britain, the following statement is made apropos of the place occupied by the motor-car in the modern community : “ In these days of modern civilization the motor is an essential to many—to the doctor, to the commercial traveller, and to those whose profession or trade involves constant travelling. There is, of course, a certain number of cars which can properly be regarded as luxuries, but, in our view, it is impossible to define the point at which a motor ceases to be an essential and becomes a luxury, and we cannot admit the truth of the proposition that private cars are, as a class, articles of luxury.”

USAGE OF ROADS BY MOTOR-VEHICLES.

Some speculation exists as to the best method of measuring the usage of roads by motor-vehicles, and also the utilities accruing from the existence of a road to the different sections of a community. The problem is both difficult and important—difficult because of the paucity of data relating to the nature and flow of traffic on our roads ; important because of its close relationship to the distribution of the revenue from special motor-taxation.