

THE GENERAL UNEMPLOYMENT LEVY.

No alteration was made in the method of collection of the general unemployment levy, which is still payable in four equal instalments. The due dates of payment were, however, altered by the 1931 Amendment Act, the first instalment at the new rate of £1 per annum being due on 1st August, 1931, and payable within one month of the due date. Subsequent instalments thus became due on the first days of November, February, and May respectively.

THE EMERGENCY UNEMPLOYMENT CHARGE.

The charge on salary or wages, generally known as the "wages-tax" of 3d. in the pound, was actually payable at the rate of 1d. for every 6s. 8d. or part thereof included in practically all classes of salary, wages, and other emoluments earned by persons ordinarily resident in New Zealand, on and subsequent to 1st August, 1931, and paid on or after that date.* The tax is collected by means of special unemployment relief stamps purchasable at any post-office. By regulations made under the Act the onus of deducting the tax from salary and wages and of affixing the requisite stamps to wages-books or other records is laid on the employer, who may, however, effect payment by cash or cheque where amounts of £5 or more in tax are payable at one time.

Power is vested in the Unemployment Board to determine, for the purposes of the Act, whether any remuneration received by any person in respect of work or service represents wages or salary, and is thus taxable at the time of payment. The Board is empowered, also, to declare that one person is the employee of another, and thus ensure the deduction of the tax at the time of payment for service which otherwise would not bring the recipient under the legal definition of a servant.

The emergency charge on "other income" at the same rate as the wages-tax was levied on practically every class of income, including Government securities which are free of income-tax, and was assessable in the first place on two-thirds of the income for the year ended 31st March, 1931. Every person liable for the charge was required to declare his or her income either to the Post Office or Income-tax Department and pay the amount in two equal instalments within one month of 1st November, 1931, and 1st February, 1932, respectively. Provision was also made for a third instalment, assessable on one-third of the income for the year ended 31st March, 1932, but this was subsequently repealed owing to the increase of the charge to 1s. in the pound, and the extension of the period in which it was to be enforced.

This special unemployment relief-tax preserves the principle of the original levy in that it is a direct tax on individuals. The incidence of the tax is, however, entirely new to the Dominion, and it will be noted that practically all sections of the community come within its scope. Previously only males likely to be a charge on the Fund were required to contribute directly, but the rapid intensification of the unemployment problem made it impossible to adhere to this course, even with a contribution by way of subsidy from Government funds.

Substantial penalties upon summary conviction are provided for failure on the part of employers to deduct the wages-tax and to account for same within three days of payment of salary or wages, and for neglect to pay the charge on other income within the prescribed time. A penalty of 10 per cent. of any amount of emergency unemployment charge due but unpaid also accrues.

Prior to October, 1932, the Board had no special inspectorial machinery for ensuring that the wages-tax and the charge on other income were being regularly paid. From information received, however, it became evident that failures were becoming too numerous to be ignored, and that serious leakage in the Board's revenue from these sources was occurring. The services of several officers were, therefore, obtained on loan from the Post and Telegraph Department to carry out inspections of appropriate records of employers, including farmers. The results fully warranted the action taken. The first month's work of the officers disclosed 946 cases of failure to pay the wages-tax, the aggregate sum involved being £1,686; and of numerous cases of neglect to submit declarations and pay the levy.

As anticipated, also, the inauguration of the inspections has been followed by a sharp rise in the sales of unemployment relief stamps.

REGISTRATION UNDER THE ACT.

The register compiled in accordance with the Act by the Post and Telegraph Department contained the names of 474,700 males aged twenty years or over at the 31st March, 1932. This figure excludes those removed from the register owing to death or departure from the Dominion since the Act came into force, and represents an increase of 12,000 registrations during the year.

CONTRIBUTORS TO THE FUND.

Some indication of the number of persons contributing to the Unemployment Fund by way of the general unemployment levy is given by the following figures representing individual instalments of the levy received by the Post and Telegraph Department up to 31st March, 1932 :—

Instalment Date.						Number of Instalments paid by Contributors.
December, 1930 .. .. .	..	..	..	..	..	425,297
March, 1931 .. .. .	..	..	..	..	..	420,653
June, 1931 .. .. .	..	..	..	..	..	417,129
August, 1931 .. .. .	..	..	..	..	..	415,200
November, 1931 .. .. .	..	..	..	..	..	403,743
February, 1932 .. .. .	..	..	..	..	..	373,189

Making allowance for the fact that considerable numbers of contributors fail to effect payment within one month of the due dates of instalments, and in the light of records of payments of the above instalments effected since 31st March, 1932, it is estimated that between 420,000 and 425,000 males are paying the levy.

* The rate of the tax was increased to 1d. for every 1s. 8d. on and from 1st May, 1932.