

FINES AND PENALTIES.

Penalties for late payment of tax were previously retained by the Post Office to offset the additional expenses of collection, while only a small proportion of fines, &c., inflicted was credited to the Fund. The legislation now provides that all fines and penalties recovered under the Employment Promotion Act or Acts repealed thereby are to be credited to the Employment Promotion Fund.

SUSTENANCE ALLOWANCES.

Section 20 of the Unemployment Act, 1930, fixed certain limits to rates of sustenance allowances. In lieu of these limits a wide discretion has now been given to the Minister of Labour, who may, with the concurrence of the Minister of Finance, fix the rates to be paid from time to time. The Minister of Labour is also given an over-riding discretion in the matter of determining who may or may not be paid sustenance to enable exceptional cases to be promptly and sympathetically dealt with, where rigid conditions would otherwise prevent the giving of adequate relief. The only persons to whom allowances may not be paid are those under the age of sixteen years and males over twenty years of age who are wholly exempt from liability for the registration levy. This represents a notable improvement, and sustenance is now being paid in specially necessitous cases to males between the ages of sixteen and twenty.

TAX DUE BY PERSONS LEAVING NEW ZEALAND AND EXECUTORS OR ADMINISTRATORS OF A DECEASED TAXPAYER.

To bring employment-tax procedure into line with income-tax practice, the Act defines the liability for tax of persons ceasing to be ordinarily resident in the Dominion and estates of deceased taxpayers. Tax is now due on income derived up to the date of departure, and must be paid, together with any unpaid instalments of tax which have already accrued, before the taxpayer leaves the country. Similarly the personal representatives of a deceased taxpayer are made liable for all instalments of employment charge due at the date of death, and also for instalments which become due in respect of income derived for any period prior to the date of death.

The corresponding section dealing with liability for the registration levy exempts the taxpayer or his estate from any instalments falling due after the date of departure or death, as the case may be.

EXEMPTIONS GRANTED TO ELDERLY PEOPLE.

The exemption from the employment charge previously granted by regulation to males over the age of sixty-five years and females over the age of sixty, whose income for the year did not exceed £104 has been included in the Act, and has been extended by providing that, where the income of such persons is just over the limit of £104 per annum, the amount of tax payable will be graduated so that the net income received by that person will not be reduced below £104.

The same exemption is allowed to people who satisfy the Commissioner of Taxes that through physical or mental disability they are unable to follow any regular employment and whose income for the year did not exceed the figure of £104.

RATE OF EMPLOYMENT CHARGE.

The rate of tax payable has been fixed in the Act at 1d. in every 2s. 6d. of salary, wages, or other income liable for the charge—i.e., 8d. in the pound. Power is conferred whereby the rate may be varied by Order in Council, but a statutory limitation to 1d. in every 1s. 8d. has been imposed.

RECOVERY OF LEVY AND EMPLOYMENT CHARGE.

Provision has been made for the recovery of overdue registration levies together with accrued penalties from any salary or wages payable to the defaulter. The new legislation prevents an employer charged with employing a person in arrear with levy payments from raising as a good defence that he had asked his employee if he was registered and had made payment up to date. The employer is now obliged to satisfy himself by an inspection of the employee's levy-book that all current instalments of the registration levy have been paid.

RECOVERY OF EMPLOYMENT-TAX.

Employment-tax collected from or deducted from the wages of employees and not accounted for by the employer to the Department is deemed to be held in trust for the Crown until paid over in accordance with regulations prescribed in that behalf. The Crown is now protected in the case of the bankruptcy of an employer who has failed to account for amounts deducted.

PENALTIES FOR FAILING TO PAY EMPLOYMENT-TAX.

An employer who fails to deduct the employment charge and every one who knowingly misapplies amounts deducted is now liable, on conviction, to a fine of £20 and treble the tax due. In addition, unless the Commissioner of Taxes is satisfied that there has been no wilful neglect or default, a penalty of 10 per cent. of the charge accrues without conviction over and above any other penalty or fine which may become due.

UNPAID TAX TO BE FIRST CHARGE ON ESTATE.

The new Act has made provision for charging unpaid tax upon the real and personal property of a person who deducts tax from salary or wages of his employees, but does not account for it in accordance with the prescribed procedure.