

New Zealand.



ANALYSIS.

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1918, No. 2.

AN ACT to amend temporarily the Law relating to the Public Revenues, to fix the Rates of Land-tax and Income-tax for the Year commencing on the First Day of April, nineteen hundred and eighteen, to amend the Law relating to Amusements-tax, to authorize the Raising of Moneys for Purposes of or in connection with the Present War, and to make Provision with respect to certain other Matters. Title.

[15th April, 1918.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. This Act may be cited as the Finance Act, 1918.

PART I.

PUBLIC REVENUES.

Duration.

2. This Part of this Act shall, unless sooner repealed, continue in operation until the close of the thirty-first day of December, nineteen hundred and eighteen, and no longer.

Annual appropriations extended to 31st December, 1918.

3. (1.) While this Part of this Act continues in operation sections forty-three and forty-four of the Public Revenues Act, 1910 (relating to extended appropriations), shall be read and shall operate as if the following amendments had been made therein as from the thirty-first day of March, nineteen hundred and eighteen:—

(a.) The words “period ending on the close of the thirty-first day of December next” shall be deemed to be substituted for the words “space of three months” in subsection one of the said section forty-three:

(b.) The words “the period so ending on the thirty-first day of December” shall be deemed to be substituted for the words “such three months” in subsection one of the said section forty-three:

(c.) The words “bearing the same proportion to the total amount of such vote as the period elapsing between the commencement of the financial year and the close of the thirty-first day of December thereafter bears to the whole financial year” shall be deemed to be substituted for the words “equal to one-fourth part of such vote” in the first proviso to the said section forty-three:

(d.) The words “the period so ending on the close of the thirty-first day of December thereafter” shall be deemed to be substituted for the words “the three months thereafter” in paragraph (c) of the said section forty-four.

(2.) This Part of this Act, notwithstanding anything contained therein, shall not be deemed to be an Act granting and appropriating money within the meaning and for the purposes of section forty-three of the Public Revenues Act, 1910.

(3.) While this Part of this Act continues in operation, section forty-seven of the Public Revenues Act, 1910 (relating to transfers from one vote to any other vote in the same class), shall be read and shall operate as if the words “in the same or any other class” were substituted for the words “in the same class” in subsection one.

Increase of unauthorized expenditure.

4. While this Part of this Act continues in operation section three of the Public Revenues Amendment Act, 1915 (relating to unauthorized expenditure), as amended by section thirty-nine of the Finance Act, 1916, shall be read and shall operate as if the following amendments had been made therein as from the thirty-first day of March, nineteen hundred and eighteen:—

- (a.) The sum of two hundred and sixty-two thousand five hundred pounds shall be deemed to be substituted for the sum of one hundred and fifty thousand pounds:
- (b.) The sum of six hundred and twelve thousand five hundred pounds shall be deemed to be substituted for the sum of three hundred and fifty thousand pounds.

PART II.

LAND-TAX AND INCOME-TAX, AND AMUSEMENTS-TAX.

Land-tax.

5. For the year commencing on the first day of April, nineteen hundred and eighteen, land-tax shall be assessed, levied, and paid, pursuant to Part I of the Finance Act, 1917, at the rates specified in Part I of the Schedule hereto.

Rates of land-tax
for year
commencing
1st April, 1918.

Income-tax.

6. For the year commencing on the first day of April, nineteen hundred and eighteen, income-tax shall be assessed, levied, and paid, pursuant to the Land and Income Tax Act, 1916, at the rates specified in Part II of the Schedule hereto.

Rates of income-
tax for year
commencing
1st April, 1918.

Special War-tax.

7. In addition to the rates of income-tax as fixed in Part II of the Schedule hereto, there shall be levied and paid for the use of His Majesty, for the year commencing on the first day of April, nineteen hundred and eighteen, as a special war-tax, duties by way of income-tax at the rates specified in Part III of the Schedule hereto on all assessable income for that year in excess of three hundred pounds.

Rates of special
war-tax.

Amusements-tax.

8. (1.) Amusements-tax, under Part III of the Finance Act, 1917, shall not be charged on payments for admission to any meeting promoted by a society incorporated under the Agricultural and Pastoral Societies Act, 1908, and held for any of the objects specified in paragraph (h) or paragraph (i) of section ten of that Act.

Exemption from
amusements-tax in
case of admission to
show promoted by
Agricultural and
Pastoral Society.

(2.) For the purposes of this section the expression "payments for admission" means payments for admission to the grounds or building in which any meeting as aforesaid is held, but does not include any other payment.

9. (1.) Section sixty-two of the Finance Act, 1917, is hereby amended as follows:—

Extending
provisions with
respect to
exemptions from
amusements-tax.

(a.) By inserting, after the word "philanthropic" in paragraph (a), the word "patriotic"; and

(b.) By repealing paragraph (d), and substituting the following paragraph:—

"(d.) That the entertainment is provided by a society, institution, or committee not conducted or established for profit, and that the proceeds are devoted to the proper purposes of such society, institution, or committee, or are to be used for partly educational and partly scientific purposes, but for no other purpose."

(2.) Section sixty-three of the Finance Act, 1917, is hereby amended by inserting, after the word "philanthropic" in section one, the word "patriotic."

(3.) For the purposes of sections sixty-two and sixty-three of the Finance Act, 1917, as amended by this section, the term "patriotic purposes" includes any purpose for which a war fund may be established under the War Funds Act, 1915, and any other purpose which the Minister of Finance, in his discretion, deems to be a patriotic purpose.

PART III.

WAR-PURPOSES LOAN.

Power to borrow
£20,000,000.

10. (1.) The Minister of Finance is hereby empowered to raise on the security of and charged upon the public revenues of New Zealand such sums of money, not exceeding in the whole the sum of twenty million pounds, as he thinks fit.

(2.) This Act shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1908; and the moneys herein authorized to be raised shall be raised under and subject to the provisions of that Act accordingly.

(3.) Subject to the provisions of subsection two of section thirteen and of subsection eighteen of section sixteen hereof, the sums so raised shall bear interest at such rate as the Minister prescribes.

(4.) When any of the moneys authorized to be raised by this section are borrowed from any bank carrying on business in New Zealand or are lodged with any such bank pursuant to an agreement between that bank and the Minister of Finance, the said Minister may, without further appropriation than this section, pay out of the Public Account any commission or interest in respect of those moneys, notwithstanding that such commission or interest may be in respect of a period or periods prior to the payment of those moneys into the Public Account or that at the date of payment of such commission or interest the said moneys had not been received into the Public Account.

(5.) Notwithstanding anything in the foregoing provisions of this section, the amount hereby authorized to be raised, or any part thereof, may be raised by the Minister on the security of Treasury bills, or by agreement with the Imperial Government without formal security, or on such security as may be agreed on with the Imperial Government.

(6.) The limit fixed by section thirty-nine of the Public Revenues Act, 1910, as the total amount that may be outstanding at any time in respect of Treasury bills shall not apply to Treasury bills issued under this section.

(7.) All moneys raised under this section shall be paid into the War Expenses Account established under section eight of the Public Revenues Amendment Act, 1914.

Minister of Finance
may issue war loan
certificates in
respect of war-
purposes loan.

11. (1.) For the purpose of facilitating the raising in New Zealand of any moneys authorized to be raised by this Part of this Act the following provisions of this section shall apply.

(2.) The Postmaster-General may issue certificates, to be called "war-loan certificates," in such form as may be prescribed by the Minister of Finance. Every such certificate shall be secured by and charged upon the public revenues of New Zealand, and shall be issued for a nominal value of such amount or of such amounts as the Minister of Finance may in his discretion determine.

(3.) Every such certificate shall authorize the payment to the bearer, on the expiration of five years from the date thereof or of such longer period as the Minister may determine, of the nominal value of such certificate, and may be issued by the Postmaster-General on payment into the Post Office Account of such less amount than the nominal value as may be prescribed by the Minister of Finance.

(4.) All moneys paid into the Post Office Account under this section shall from time to time be invested by the Postmaster-General in debentures or other securities issued by the Minister of Finance in respect of the moneys authorized to be raised under this Part of this Act.

(5.) The total amount for the time being represented by certificates issued under this section and not redeemed, together with the amount represented by outstanding debentures or other securities issued in respect of moneys authorized to be raised under this Part of this Act, shall not at any time exceed the sum of twenty million pounds, or such portion of that sum as may have been authorized to be raised by the Governor-General in Council acting under section five of the New Zealand Loans Act, 1908.

(6.) The costs, charges, and expenses connected with the issue of war-loan certificates under this section shall be deemed to form portion of the costs, charges, and expenses connected with the raising of the loan authorized to be raised by this Part of this Act, and the provisions of section eight of the New Zealand Loans Act, 1908, shall apply accordingly.

12. (1.) The Postmaster-General may agree to issue war-loan certificates under the last preceding section on condition that the purchase-money thereof shall be paid by monthly or other instalments extending over a period not exceeding sixteen months:

War-loan certificates may be acquired on system of time payments.

Provided that certificates issued under this section shall be issued at such higher price than that at which certificates are issued for immediate payment as the Minister of Finance may in his discretion determine.

(2.) Every certificate so issued shall bear date not later than the date of payment of the first instalment of the purchase-money.

(3.) When any person employed in the service of the Government, or of any other employer, agrees to purchase war-loan certificates under this section, the purchase-money may, with his consent, be deducted from his salary or wages in such monthly or other instalments as may be agreed on, but so that the time allowed by this section for the completion of the purchase shall not be exceeded.

(4.) Every person who agrees to purchase war-loan certificates under this section may at any time pay off the whole or any portion of the balance of the purchase-money outstanding with respect to those certificates.

(5.) Every person who agrees to purchase war-loan certificates under this section shall be entitled to receive delivery thereof on payment of the final instalment or of any outstanding balance in respect of those certificates, and shall at any time before that date be entitled on demand to receive a certificate under the hand of such officer as may be appointed by the Postmaster-General for the purpose, certifying as to the amount paid by him in respect of war-loan certificates under this section and as to the amount of the balance of purchase-money for the time being outstanding in respect thereof.

(6.) Every person who enters into an agreement to purchase war-loan certificates under this section may by writing under his hand, in the prescribed form, assign his interest in those certificates to any other person.

(7.) All moneys deducted from the salary or wages of any person in respect of the purchase by him of war-loan certificates under this section shall be forthwith paid into the Post Office Account.

(8.) The Governor-General may make such regulations as may be necessary for the purpose of carrying into effect the provisions of this section.

Authorizing issue of
Post Office War
Loan Inscribed
Stock bearing
interest at rate of
5 per cent. per
annum, subject to
income-tax.

13. (1.) For the purpose of raising any portion of the moneys authorized to be raised by this Part of this Act the Minister of Finance may issue stock or other securities (herein referred to as Post Office War Loan Inscribed Stock) for amounts not less than one hundred pounds and not more than five hundred pounds.

(2.) Interest at the rate of five per centum per annum shall be payable half-yearly on all Post Office War Loan Inscribed Stock issued under this section, and shall be computed from such date or dates as the Minister of Finance may prescribe in that behalf.

(3.) Notwithstanding anything to the contrary in section fourteen of this Act, or in any other Act, interest on Post Office War Loan Inscribed Stock shall be assessable for income-tax under the Land and Income Tax Act, 1916.

(4.) No person shall be competent to have issued to him Post Office War Loan Inscribed Stock of a greater nominal value in the aggregate than five hundred pounds; and every applicant for any such stock shall be required to make and subscribe a statutory declaration to the effect that the value of all such stock held by him, together with the value of the stock for which application is made, does not exceed five hundred pounds.

(5.) Every Postmaster or person for the time being acting as a Postmaster, and every other officer of the Post and Telegraph Department authorized in that behalf by the Postmaster-General, shall be competent to take and receive statutory declarations for the purposes of this section, but unless duly authorized under some authority other than this section shall not be competent to take and receive statutory declarations for any other purpose.

(6.) All statutory declarations made for the purposes of this section shall be exempt from stamp duty.

(7.) All statutory declarations heretofore taken and received with reference to the issue of Post Office War Bonds under section sixty-eight of the Finance Act, 1917, by persons authorized by the

Postmaster-General pursuant to this section to take and receive such declarations with reference to the issue of Post Office War Loan Inscribed Stock under this section shall be deemed to have been validly taken and received.

14. Except as hereinbefore otherwise provided with respect to Post Office War Loan Inscribed Stock, interest derived or received by the holder of any debenture, scrip, stock, or other security issued or created in respect of moneys which the Minister of Finance is empowered by this Part of this Act to raise shall be exempt from taxation under the Land and Income Tax Act, 1916.

Exemption from income-tax.

15. (1.) Of the moneys hereinbefore authorized to be raised, the Minister of Finance may raise by the issue of inscribed stock, but not otherwise, such amount as he thinks fit, not exceeding in the whole the sum of five hundred thousand pounds, subject to the special provisions of this section.

Securities in respect of £500,000, being part of war-purposes loan, may be used for payment of death duties.

(2.) The administrator of the estate of any deceased person, or other person by whom death duties may be payable in respect of that estate, may pay the whole or any part of the death duties so payable by him in respect of that estate by means of inscribed stock issued subject to the provisions of this section, and the Commissioner of Stamps shall accept such stock accordingly in satisfaction in whole or in part, as the case may be, of the amount of death duties payable as aforesaid.

(3.) All stock transferred to the Commissioner of Stamps under this section shall be deemed to mature for payment on the date of transfer, and shall, for the purposes of this section, be deemed to be of the nominal value thereof with the addition of any interest accrued due but remaining unpaid at the date of transfer.

(4.) No transfer of stock issued under this section shall be registered, and no stock certificate shall be issued in respect thereof, during the lifetime of the registered holder.

(5.) If the holder of any inscribed stock issued under this section exchanges such inscribed stock for debentures or other securities pursuant to the authority in that behalf of section three of the New Zealand Inscribed Stock Act, 1917, the debentures or other securities so issued in exchange shall not themselves be deemed to be available for the payment of death duties.

(6.) If on the death of the registered holder of any inscribed stock under this section the whole or any portion of that stock is not used for the payment of death duties in respect of the estate of the deceased, such stock so remaining unused shall cease to be stock available for the payment of death duties, and may be dealt with accordingly.

16. (1.) If the Commissioner of Taxes has reason to believe that any person (including a company or other body corporate) has not subscribed in due proportion to his means to the loan authorized to be raised by this Part of this Act (hereinafter referred to as the war-purposes loan), he may, by direction of the Minister of Finance, by notice in writing under his hand or by successive notices, call upon that person to subscribe to that loan, within such time or times as may be specified in the notice or notices, such amount as may be therein specified. For the purposes of

Taxpayers may be required to contribute to war-purposes loan in accordance with this section.

this section, in ascertaining the amount subscribed by any person to the war-purposes loan, the Commissioner of Taxes shall take into account all moneys paid by or on behalf of that person to the Postmaster-General for war-loan certificates under this Act, but shall not take into account any other moneys paid for securities issued in respect of that loan unless those moneys are paid directly to the Minister of Finance or to his agents in respect of the loan.

(2.) The amount which any person may be required to contribute to the war-purposes loan shall not exceed six times the yearly average of the land-tax and income-tax (exclusive of excess-profits duty) paid or payable by him for the three years ended on the thirty-first day of March, nineteen hundred and eighteen.

(3.) Any notice under this section may, in the case of an absentee within the meaning of Part IX of the Land and Income Tax Act, 1916, be served on any person who is an agent of the absentee for the purposes of the said Act, and the agent shall thereupon be liable for the payment of the subscription to the war-purposes loan on behalf of the absentee in all respects as if the amount of such subscription were tax for which the absentee was liable under the said Act. Every agent on whom a notice is served under this subsection shall have the same rights and powers against his principal, and against moneys in his hands belonging or payable to his principal, as he has in respect of tax paid or payable by him on behalf of his principal.

(4.) Any person upon whom a notice under this section is served as aforesaid may within fourteen days thereafter appeal therefrom to the Board of Appeal hereinafter constituted, on such grounds as he may specify in his notice of appeal, and may on appeal produce such evidence as he thinks fit to show cause why he should not be bound to comply with the terms of the notice.

(5.) For the purposes of this section there is hereby established a special Board of Appeal, consisting of the Controller and Auditor-General (who shall be the Chairman of the Board), the Commissioner of Taxes, the Secretary to the Treasury, and the Government Insurance Commissioner.

(6.) Three members of the Board shall form a quorum. Every question before the Board shall be decided by a majority of the votes of the members present. The Chairman shall have a deliberative vote, and, in the event of an equality of voting, shall have a casting-vote also.

(7.) In the absence of the Chairman from any meeting of the Board the Commissioner of Taxes shall act as Chairman.

(8.) If at any time any member is absent, or is unable to act, the Minister of Finance may, by warrant under his hand, appoint some person as the deputy of that member during his absence or inability, and, while the warrant of appointment remains unrevoked, the deputy so appointed shall have and may exercise all the powers and functions of the member whose deputy he is.

(9.) Every appeal under this section shall be heard and determined in private.

(10.) Except as otherwise provided herein, the Board shall regulate its own procedure.

(11.) For the purposes of an appeal under this section the Board constituted by this section shall have the powers of a Commission appointed under the Commissions of Inquiry Act, 1908.

(12.) On any appeal under this section the Board may, if it thinks fit, exempt the appellant either wholly or in part from his obligation to subscribe to the war-purposes loan, or may allow time for the payment of the whole or any portion of the amount demanded, or may in its discretion dismiss the appeal.

(13.) Any person who is aggrieved by the determination of the Board on any appeal under this section may appeal therefrom, within such time and in such manner as may be prescribed by regulations under this section, to a Judge of the Supreme Court in Chambers.

(14.) On any appeal under this section to a Judge of the Supreme Court the Judge shall have all the powers of the Board under subsection twelve hereof, and the determination of the Judge shall be final.

(15.) If any person on whom a notice is served under this section and who has not appealed or whose appeal has not been allowed refuses or fails to comply with the terms of that notice, or with the terms of that notice as modified on appeal under this section, he shall be chargeable by way of penalty with an additional tax (herein referred to as a penal tax) equal to double the total amount of the land-tax and income-tax payable by him under the Finance Act, 1917.

(16.) Any amount chargeable by way of penal tax under this section shall be recoverable by the Commissioner as if it were a penal tax chargeable under section one hundred and forty-four of the Land and Income Tax Act, 1916.

(17.) Payment of the penal tax for failure to comply with the terms of any notice under this section shall not relieve the taxpayer from compliance with the terms of that notice. The Commissioner of Taxes shall, in his own name, but for and on behalf of His Majesty, be entitled to demand, sue for, and recover from the taxpayer the amount specified in the notice (or, alternatively, if that amount shall have been reduced on appeal such reduced amount). Every amount so recovered shall be paid by the Commissioner into the War Expenses Account, and thereafter the Minister of Finance shall cause to be issued to the taxpayer a certificate or certificates for such amount as for a sum invested by the taxpayer in the war-purposes loan under subsection eighteen hereof at the date of the payment into the War Expenses Account.

(18.) All moneys invested in the war-purposes loan pursuant to this section shall bear interest at the rate of three per centum per annum.

(19.) The Governor-General may, by Order in Council, make such regulations as may be deemed necessary for the purpose of giving effect to the provisions of this section.

(20.) The provisions of this section shall apply in respect of any moneys which are authorized to be raised by the War Purposes Loan Act, 1917, as amended by the War Purposes Loan Act, 1917 (No. 2), and which have not been raised on the passing of this Act, in the

same manner in all respects as if those moneys were authorized to be raised as part of the war-purposes loan under this Part of this Act.

(21.) Notwithstanding that the limit of twenty million pounds defined by section ten of this Act, or the limit of twenty-eight million pounds defined by the War Purposes Loan Act, 1917, as amended by the War Purposes Loan Act, 1917 (No. 2), may be exceeded by the requirement of subscriptions under the provisions of this section, every amount which a person is called upon to subscribe under the authority of this section shall for all purposes be deemed to be moneys which the Minister of Finance is empowered to raise on the security of and charged upon the public revenues of New Zealand.

Repeal.

Authorizing issue of informal security, in lieu of Treasury bills, to Imperial Government.

(22.) Section forty of the Finance Act, 1917, is hereby repealed.

17. The Minister of Finance is hereby authorized at the date of maturity or at the date of cancellation, as the case may be, of any Treasury bill or other security which may have been issued to the Imperial Government under section eight of the Public Revenues Amendment Act, 1914, or under section six of the War Purposes Loan Act, 1917, or which may hereafter be so issued, to issue in lieu thereof a memorandum of agreement or such other security as may be agreed upon with the Imperial Government. Any such memorandum of agreement or other security so issued before the passing of this Act shall be deemed to have been legally issued and to have effect according to its tenor.

Validating raising of moneys in excess of authority.

18. Whereas by the War Purposes Loan Act, 1917, as amended by the War Purposes Loan Act, 1917 (No. 2), the Minister of Finance was authorized to raise for war purposes moneys not exceeding in the whole the sum of twenty-eight million pounds: And whereas it is desirable to validate the raising of any moneys that may be or may have been raised for the said purposes in excess of the said amount: It is hereby enacted that if the Minister of Finance, acting or purporting to act pursuant to the said authority, raises or has raised any moneys in excess of the aforesaid sum of twenty-eight million pounds, such excess shall be deemed to have been lawfully raised under the authority of this Part of this Act, and to form part of the amount of twenty million pounds authorized to be raised by this Part of this Act accordingly:

Provided that interest on the several amounts comprised in such excess shall be payable by the Minister of Finance from the date or dates when the said amounts were respectively paid into the Public Account, or from such earlier date or dates as may be agreed upon by the said Minister.

PART IV.

GENERAL.

Duration of present Parliament further extended.

19. (1.) Notwithstanding anything to the contrary in the Legislature Act, 1908, the House of Representatives as existing at the passing of this Act shall, unless the General Assembly is sooner dissolved by the Governor-General pursuant to section forty-four of the Constitution Act, continue until the nineteenth day of December, nineteen hundred and nineteen, and no longer.

(2.) The Parliamentary Elections Postponement Act, 1916, is hereby repealed.

20. (1.) So long as a state of war exists in New Zealand, and for twelve months thereafter, no local authority shall be obliged to repay any loan raised by or transferred to it pursuant to any authority in that behalf; and the terms of all such loans that may become due and repayable at any time within the said period, and all special rates, debentures, and other securities in respect of any such loan, are hereby extended accordingly.

Protection of local authorities in respect of loans falling due during the war or within twelve months thereafter.

(2.) All loans the terms of which have been extended pursuant to this section shall become due and repayable immediately on the expiration of the period of twelve months after a state of war has ceased to exist in New Zealand, and in the meantime shall, except so far as may be inconsistent with this section, continue subject to all the terms and conditions affecting such loans on the passing of this Act.

21. Any local authority or public body authorized by section seventy-two of the Finance Act, 1917, to invest moneys in any war-purposes loan may, with the consent of the Minister of Finance, borrow moneys for that purpose by way of overdraft from any bank, notwithstanding that the limits of its authority to borrow by way of overdraft may be thereby exceeded.

Local authorities may raise moneys by way of bank overdraft for investment in war-purposes loan.

22. (1.) For the purposes of this section the term "spirits" means and includes brandy, whisky, and rum.

Restriction of importation of immature spirits.

(2.) Except as hereinafter otherwise provided, no spirits imported into New Zealand on or after the first day of September, nineteen hundred and eighteen, shall be delivered from the control of the Customs unless the Comptroller of Customs is satisfied that such spirits have been matured by storage in wood for a period of not less than three years.

(3.) Notwithstanding the foregoing provisions of this section, any spirits which have not been matured as therein provided may be delivered from the control of the Customs by direction of the Comptroller if he is satisfied that such spirits are intended for use in the manufacture of medicinal spirits, or for scientific or industrial purposes, or for such other purposes as he may permit.

23. Notwithstanding anything to the contrary in section one hundred and thirty of the Companies Act, 1908, registration of a mortgage as therein defined given by any company shall not be necessary to the validity of such mortgage as against the liquidator and any creditor of the company if the Minister of Finance by writing under his hand notifies the mortgagee that, owing to war conditions, registration of such mortgage would be unfair or unreasonable in the circumstances, and that such registration is dispensed with; provided that by the same writing the Minister may impose such conditions as he thinks fit for the protection of any other creditors or class of creditors (whether by way of providing for priority over the mortgagee or otherwise), and such conditions shall have the force of law and be binding on all parties accordingly.

Modification of provisions requiring registration of mortgages given by companies in certain cases.

24. (1.) This section shall be read with and form part of the Mortgages Extension Act, 1914.

Mortgages Extension Acts amended.

(2.) In this section "trade mortgage" means a mortgage securing to any bank, trading company, or merchant the balance of the account current of a customer of such bank, trading company, or merchant, whether such mortgage be granted by the customer or by any surety for the customer.

(3.) Section two of the Mortgages Extension Amendment Act, 1914, shall not have any force or effect except in the case of trade mortgages, and shall be read and interpreted as applicable only to trade mortgages.

(4.) Section five of the Mortgages Extension Amendment Act, 1915, is hereby amended—

(a.) As to subsection one thereof, by repealing paragraphs (c) and (e) of the said subsection :

(b.) As to subsection four thereof, by inserting at the end of the said subsection, after the words "fair and equitable," the words "not exceeding such maximum rate (if any) as may for the time being have been fixed by the Governor-General in Council under the authority of any law in that behalf enabling."

(5.) Section eight of the Mortgages Extension Amendment Act, 1915, is hereby repealed.

(6.) Except in the case of trade mortgages, no covenant or condition excluding the provisions of the principal Act shall hereafter have any force or effect, notwithstanding that such covenant or condition is contained in a deed, instrument, or agreement executed after the commencement of the principal Act, whether such deed, instrument, or agreement was executed before or is executed after the passing of this Act, and whether such deed, instrument, or agreement constitutes a new mortgage or an extension of the term of an existing mortgage.

25. (1.) In addition to and without in any manner restricting the powers conferred by the War Regulations Act, 1914, and its amendments, the Governor-General in Council may, by regulations under that Act, make such provisions as, having regard to the exigencies of the present war or the conditions created thereby, he thinks advisable for any of the following purposes :—

(a.) Procuring, exacting, enforcing, controlling, and regulating national service, as hereinafter defined, in New Zealand during the present war :

(b.) Prohibiting or restricting any service, employment, occupation, business, work, or industry :

(c.) Regulating the remuneration of national service, subject, however, to the provisions of the Industrial Conciliation and Arbitration Act, 1908, and of any awards or industrial agreements in force for the time being under that Act.

(2.) The expression "national service" means all service, employment, occupation, business, work, or industry (whether under the Crown or under any other employer or independent of any employer) which is deemed by the Governor-General in Council or by any authority appointed in that behalf under any such regulations to be essential to the public welfare, and includes not merely personal

Additional power
to make war
regulations with
respect to
national service.

service but also the use of any factory, workshop, business premises, machinery, plant, or appliances for any purpose deemed as aforesaid to be essential to the public welfare, but does not include military service as a member of an Expeditionary Force under the Expeditionary Forces Act, 1915.

(3.) All regulations made by the Governor-General in Council and purporting to be made in pursuance of this section of this Act shall have the like authority and validity as if they had been enacted in this Act.

(4.) All regulations under this section shall be laid before both Houses of Parliament within fourteen days after the making thereof if Parliament is then in session, and if not, then within fourteen days after the commencement of the next ensuing session.

(5.) If the House of Representatives by resolution declares that it does not assent to such regulations or to any such regulation, such regulations or regulation shall cease to have any force or effect as from the date of the passing of such resolution, or as from such later date as may be specified in the resolution.

SCHEDULE.

Schedule.

RATES OF LAND-TAX AND INCOME-TAX (INCLUDING SPECIAL WAR-TAX) FOR THE
YEAR COMMENCING ON THE 1ST APRIL, 1918.

Part I. Land-tax.

1. WHERE the unimproved value on which land-tax is payable does not exceed £1,000, the rate of land-tax shall be 1d. for every £1 thereof.

2. Where the unimproved value on which land-tax is payable exceeds £1,000, the rate of land-tax shall be 1d. for every £1 thereof increased by one thirty-two-thousandth part of 1d. for every £1 in excess of £1,000, but so as not to exceed in any case the rate of 7d. in the £1.

3. In addition to the land-tax payable as provided in clause 1 or clause 2 of this Part of this Schedule, as the case may be, there shall in every case be payable by way of land-tax an amount equal to 50 per centum of the land-tax so payable.

Part II. Income-tax.

1. On income assessable under subsection (3) of section 112 of the Land and Income Tax Act, 1916, the rate of income-tax shall be 1s. for every £1 thereof.

2. On the taxable income of companies the rates of income-tax shall be as follows:—

(a.) Where the income on which tax is payable does not exceed £1,600, the rate shall be 1s. for every £1 thereof.

(b.) Where such income exceeds £1,600, the rate shall be 1s. for every £1 thereof increased by one two-hundredth part of 1d. for every £1 in excess of £1,600, but so as not to exceed in any case the rate of 3s. in the £1.

3. On the taxable income of all taxpayers other than those referred to in clauses 1 and 2 hereof the rates of income-tax shall be as follows:—

(a.) Where the income on which tax is payable does not exceed £400, the rate shall be 6d. for every £1 thereof.

(b.) Where such income exceeds £400, the rate shall be 6d. for every £1 thereof increased by one two-hundredth part of 1d. for every £1 in excess of £400, but so as not to exceed in any case the rate of 3s. in the £1.

Part III. Special War-tax.

1. On income assessable under subsection (3) of section 112 of the Land and Income Tax Act, 1916, the special war-tax shall be at the rate of 1s. 6d. for every £1 thereof.

2. In all cases other than those referred to in the last preceding clause the rate of special war-tax shall be determined as follows:—

- (a.) Where the income on which the special war-tax is payable does not exceed £400, the rate shall be 6d. for every £1 thereof increased as provided in paragraph (c) hereof.
 - (b.) Where the income on which the special war-tax is payable exceeds £400, the rate shall be 6d. for every £1 thereof increased by one two-hundredth part of 1d. for every £1 in excess of £400, but so as not to exceed 3s. in the £1, and further increased as provided in paragraph (c) hereof.
 - (c.) To the rates prescribed by paragraphs (a) and (b) hereof respectively there shall be added an additional rate equal to 50 per centum thereof, and the total shall be the rate of special war-tax payable by the taxpayer.
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