

1929-1930.

THE PARLIAMENT OF THE COMMONWEALTH.

HOUSE OF REPRESENTATIVES.

LAND TAX ASSESSMENT BILL 1930.

MEMORANDUM SHOWING THE ALTERATIONS PROPOSED
TO BE MADE IN THE PRINCIPAL ACT.

(Circulated by the Treasurer, the Hon. E. G. Theodore.)

The words printed in italic type or having a vertical black line in margin are words proposed to be omitted from the Principal Act.

The words printed in black type are words proposed to be added to the Principal Act.

DEFINITIONS.

The definitions of "Unimproved value," and of "Value of Improvements" in section 3 of the Act, proposed to be omitted by clause 2 of the Bill, read as follows:—

"Unimproved value," in relation to land, means the capital sum which the fee-simple of the land might be expected to realize if offered for sale on such reasonable terms and conditions as a bona fide seller would require, assuming that the improvements (if any) thereon or appertaining thereto and made or acquired by the owner or his predecessor in title had not been made.

"Value of improvements," in relation to land, means the added value which the improvements give to the land at the date of valuation irrespective of the cost of the improvements:

Provided that the added value shall in no case exceed the amount that should reasonably be involved in bringing the unimproved value of the land to its improved value as at the date of assessment.

(h) all land owned by, or in trust for, any club or body of persons, and used primarily and principally for the purposes of athletic sports or exercises (other than horse racing or golf) and not used for the pecuniary profit of the members of that club or body.

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LESSORS AND LESSEES OF LAND LEASED BEFORE THE COMMENCEMENT OF ACT.

Section 28 of the Act, as proposed to be amended by clause 4 of the Bill, will read as follows :—

28.—(1.) The owner of a freehold estate in land who or whose predecessor in title has before the commencement of this Act entered into an agreement to make or granted a lease of the land shall, for the purpose of his assessment under this Act, be entitled, during the currency of the lease, to have the unimproved value (if any) of the lease deducted from the unimproved value of the land.

(2.) The owner of a leasehold estate in land, under a lease made or agreed to be made before the commencement of this Act, shall be deemed to be, in respect of the land, the owner of land of an unimproved value equal to the unimproved value (if any) of his estate ; but if he has, before the commencement of this Act, entered into an agreement to make or granted a lease of the land, he shall be entitled, during the currency of that lease, to have the unimproved value (if any) of that lease deducted from the unimproved value of his estate :

Provided that where the owner of the leasehold estate has, within three years before the commencement of this Act, been the owner of a freehold estate in the land, he shall be assessed and liable to land tax as if his leasehold estate had been under a lease made after the commencement of this Act.

(3.) For the purposes of this section—

(a) the unimproved value of a lease or leasehold estate in land means the value of the amount (if any) by which four and a half per centum of the unimproved value of land exceeds the annual rent reserved by the lease calculated for the unexpired period of the lease at four and a half per centum, according to the calculations based on the prescribed tables for the calculation of values :

Provided that the Commissioner may from time to time, if he thinks fit, alter the rate per centum upon which the calculations in this section are based ;

(aa) annual rent reserved by the lease means the rent which, as on the thirtieth day of June immediately preceding the financial year for which tax is levied, is payable for the period which includes that thirtieth day of June if that rent is the rent payable for the period of one year, or if that rent is not the rent payable for the period of one year, the sum which bears the same proportion to the rent payable as the period of a year bears to the period for which that rent is payable :

Provided that if, as on that thirtieth day of June—

(a) no rent is payable ; or

(b) a rent, which is subject to a liability to re-appraisal, is payable,

for the period which includes that thirtieth day of June, and a rent or a re-appraised rent, subsequently becomes payable for that period, the rent which so becomes payable shall be deemed to be the rent payable as on that thirtieth day of June.

- (b) rent, in the case of a lease of improved land, means so much of the whole rent as bears to the whole rent the proportion which the unimproved value of the land at the date of the lease bore to the improved value :

Provided that, where onerous conditions for constructing buildings, works, or other improvements upon the land, or expending money thereon, are imposed upon the lessee, or where any fine, premium, or fore-gift, or consideration in the nature of fine, premium, or fore-gift, is payable by the lessee, the Commissioner may assess the amount (if any) which ought, for the purposes of this section, to be added to the value of the rent in respect thereof, and the value of the rent shall be deemed to be increased by that amount accordingly ;

- (c) the owner of a leasehold estate includes the lessee of land for life under a lease or an agreement for a lease.

(4.) This section shall apply to any lease which is a lease from the Crown and which is subject to liability to resumption of the whole or of any part or proportion of the land comprised in the lease, whether that part or proportion be defined or not, and for the purpose of the application of the provisions of paragraph (a) of the last preceding sub-section—

- (a) where the resumption, if effected, would be without right of compensation or without right of compensation except for improvements or certain improvements—

- (i) the lease, in respect of the whole or a part or a proportion of the whole, as the case may be, so subject to resumption, shall be deemed to be a lease for a period ending on the earliest date on which such resumption may be made, and, in respect of the part or proportion (if any) of the whole not so subject to resumption, shall be deemed to be a lease for a period ending on the date upon which the lease expires ;
- (ii) a rent shall be deemed to be payable in respect of the part or proportion which is subject to liability to resumption of an amount which bears the same proportion to the annual rent as the part or proportion of the area which is so subject bears to the total area, and the amount of the residue of the annual rent shall be deemed to be the rent payable in respect of the part or proportion not so subject ; and
- (iii) the unimproved value of the part or proportion subject to liability to resumption and the unimproved value of the part or proportion not so subject shall be respectively deemed to be such sums as bear to the unimproved value of all the land leased the same proportions as such respective parts or proportions respectively bear to the total area of the land leased ; and

- (b) where the lease is one to which sub-paragraph (a) of this sub-section does not apply, the lease shall be deemed to be a lease for the full period of the lease as if no resumption of the lease or part of the lease were liable to be made :

Provided that leased land shall not be deemed to be subject to resumption without compensation, or without compensation except for improvements or certain improvements, nor shall any lease be deemed to have no period or no unexpired period, by reason of the fact that any land may be liable to be resumed or withdrawn from the lease for mining purposes or for public roads or for any other public purpose, without compensation or without compensation except for improvements or certain improvements.

APPLICATION OF ACT.

Clause 5 of the Bill reads as follows :—

5.—(1.) The amendment of the Principal Act made by section two of this Act shall be deemed to have commenced on the date of the commencement of the *Land Tax Assessment Act 1910*, and shall apply to all assessments for the financial year beginning on the first day of July One thousand nine hundred and ten, and all subsequent years.

(2.) The amendment of the Principal Act made by section three of this Act shall apply to all assessments for the financial year beginning on the first day of July One thousand nine hundred and thirty, and all subsequent years.

(3.) The amendment of the Principal Act made by section four of this Act shall be deemed to have commenced on the date of the commencement of the *Land Tax Assessment Act 1914*, and shall apply to all assessments for the financial year beginning on the first day of July One thousand nine hundred and fourteen, and all subsequent years.

(4.) Notwithstanding anything contained in this section the amendments effected by this Act shall not apply so as to affect any judgment of the High Court or of the Supreme Court of a State obtained, prior to the commencement of this Act, by any person in his favour in respect of an assessment under the Principal Act.

