

AVERAGE MARKET VALUES OF SPECIFIED LIVESTOCK - 1990

The Governor-General by Order in Council has announced average market values of specified livestock for the income year commencing on 1 April 1989 in accordance with the provisions of section 86D of the Income Tax Act 1976.

Listed below, under the various classes of specified livestock, are the values to be used for the standard values scheme and the herd scheme for the income year together with the trigger price for high price livestock.

Type of	Classes of Livestock	Standard Value	Herd Value (Average Market Value)	Trigger Price for High Priced Livestock
		\$ c	\$ c	\$ c
Sheep	Ewe hoggets	14.28	25.80	103.20
	Ram and wether hoggets	14.28	25.80	103.20
	Two-tooth ewes	19.51	32.20	128.80
	Mixed-aged ewes (rising three-year and four-year old ewes)	11.88	21.20	100.00
	Rising five-year and older ewes	9.73	17.60	100.00
	Mixed-age wethers	11.67	21.90	100.00
	Breeding rams	103.90	156.10	624.40
	Cattle	Beef Breeds and Beef Crosses:		
Rising one-year heifers		143.50	225.00	675.00
Rising two-year heifers		212.80	358.00	1074.00
Mixed-aged cows		229.37	403.00	1209.00
Rising one-year steers and bulls		193.67	314.00	942.00
Rising two-year steers and bulls		345.57	440.00	1320.00
Rising three-year and older steers and bulls		419.53	757.00	2271.00
Breeding bulls		844.43	1729.00	5187.00
Friesian and Related Breeds				
Rising one-year heifers		161.23	237.00	711.00
Rising two-year heifers		301.23	526.00	1578.00
Mixed-age cows		286.53	511.00	1533.00
Rising one-year steers and bulls		145.83	240.00	720.00
Rising two-year steers and bulls		332.97	386.00	1158.0
Rising three-year and older steers and bulls		419.53	757.00	2271.0
Breeding bulls		575.17	1161.00	3483.0
Jersey and other Dairy Breeds				
Rising one-year heifers		145.83	203.00	609.00
Rising two-year heifers		275.57	450.00	1350.0
Mixed-age cows		219.80	390.00	1170.0
Rising one-year steers and bulls		119.70	146.00	438.00

Rising two-year and older steers and bulls	291.90	508.00	1524.00
Breeding bulls	401.33	762.00	2286.00

Deer

Red Deer

Rising one-year hinds	302.00	302.00	906.00
Rising two-year hinds	364.93	416.00	1248.00
Mixed-age hinds	385.23	392.00	1176.00
Rising one-year stags	140.47	215.00	645.00
Rising two-year and older stags (non-breeding)	239.40	376.00	1128.00
Breeding stags	767.90	972.00	2916.00

Wapiti, Elk, and Related Crossbreeds

Rising one-year hinds	392.47	428.00	1284.00
Rising two-year hinds	420.47	495.00	1485.00
Mixed-age hinds	479.03	616.00	1848.00
Rising one-year stags	162.87	281.00	843.00
Rising two-year and older stags (non-breeding)	280.00	440.00	1320.00
Breeding stags	911.40	1652.00	4956.00

Other Breeds

Rising one-year hinds	252.93	257.00	771.00
Rising two-year hinds	279.77	296.00	888.00
Mixed-age hinds	275.00	275.00	825.00
Rising one-year stags	108.03	184.00	552.00
Rising two-year and older stags (non-breeding)	87.03	125.00	375.00
Breeding stags	322.93	405.00	1215.00

Goats

Angora and Angora Crosses (Mohair Producing)

Rising one-year does	9.00	9.00	100.00
Mixed-age does	8.00	8.00	100.00
Rising one-year bucks (non-breeding)/wethers	6.00	6.00	100.00
Bucks (non-breeding)/wethers over one year	7.93	8.00	100.00
Breeding bucks	92.87	132.00	528.00

Other Fibre and Meat Producing Goats (Cashmere or Cashgora)

Rising one-year does	7.00	7.00	100.00
Mixed-age does	9.00	9.00	100.00
Rising one-year bucks (non-breeding)/wethers	3.27	4.00	100.00
Bucks(non-breeding)/wethers over one year	6.00	6.00	100.00
Breeding bucks	50.40	103.00	412.00

Milking (Dairy) Goats

Rising one-year does	5.00	5.00	100.00
Does over one year	14.23	15.00	100.00
Breeding bucks	69.07	108.00	432.00
Other dairy goats	6.00	6.00	100.00

Pigs	Breeding sows less than one year of age	73.03	106.00	318.00
	Breeding sows over one year of age	123.67	180.00	540.00
	Breeding boars	165.90	242.00	726.00
	Weaners less than 10 weeks of age (excluding sucklings)	29.63	39.00	117.00
	Growing pigs 10 to 17 weeks of age (porkers/baconers)	71.87	107.00	321.00
	Growing pigs over 17 weeks of age (baconers)	108.03	163.00	489.00

INTEREST WHERE RESIDUAL INCOME TAX EXCEEDS PROVISIONAL TAX (SECTION 51)

SUMMARY

As a result of a large number of enquiries received by tax practitioners, the Department has been requested to clarify the application of section 51 of the Income Tax Amendment Act (No.4) 1989. This section provides for interest to be charged where residual income tax exceeds provisional tax paid in cases where a certificate of exemption from interest and dividend PAYE has been issued pursuant to section 327M(12) of the Income Tax Act.

BACKGROUND

Section 51 was outlined on page 11 of Appendix A to Technical Information Bulletin No.8 which was issued in February 1990. The item could be misinterpreted as if all taxpayers who earn less than \$100,000 and did not estimate their provisional tax liability will be subject to interest where the residual income tax liability exceeds the amount of provisional tax paid. This is not correct.

RULING

The result of the amendment in section 51 is that the interest provisions contained in section 398A of the Income Tax Act 1976 will now also apply to individual taxpayers who:

1. Earn less than \$100,000; and
2. Did not estimate their provisional tax liability; and
3. Have been issued with a certificate of exemption from Interest PAYE and Dividend PAYE within the provisions of section 327M(12) of the Income Tax Act.

It should be noted that the amendment only results in interest being charged on underpayments of provisional tax. In the event of overpayments by these taxpayers, the provisions of section 413A of the Act do not apply and no interest is payable by the Commissioner.

As stated in the previous item, this change takes effect for the provisional tax payable in the 1991 income year and every subsequent income year.

PURCHASE BY A COMPANY OF ITS OWN BONDS, DEBENTURES AND OTHER LIKE TRANSACTIONS

BACKGROUND

On the disposal, maturity or remission of a financial arrangement, section 64F of the Income Tax Act 1976 requires an adjustment calculation to be made. This calculation is required to ensure that all income and expenditure attributable to a financial arrangement has either been returned or deducted (as appropriate) over the life of that financial arrangement.

This adjustment is known either as the "base price adjustment" or, in the case of a "cash basis holder", the "cash base price adjustment".

Section 64F provides that a financial arrangement has matured when the last payment contingent upon the financial arrangement has been made.

QUESTION 1

What happens where a company buys a bond or similar instrument which that company has previously issued?

RULING

A "base price adjustment" in relation to that bond must be calculated. This is because there will not be any further payments contingent upon the financial arrangement (ie the bond). Consequently the last payment contingent upon the financial arrangement has been made and the financial arrangement has matured. On maturity the calculations required by section 64F must be made.

QUESTION 2

Will the position be any different if the company has the right to reissue the bond? For example, section 98 of the Companies Act 1955 permits a company to reissue a debenture that it has previously redeemed.

RULING

No; The right to reissue does not alter the fact that once the company redeems the debenture there ceases to be any payments contingent upon the financial arrangement (ie the redeemed debenture). The debenture has therefore matured, for the purposes of the accruals regime, and a "base price adjustment" calculation must be performed as required by section 64F.

Reference: Section 64F Income Tax Act 1976

TAX CALENDAR

The Department has produced a Tax Calendar which sets out the due dates for payments and returns from 1 April 1990 to 31 March 1991.

A copy of this calendar is enclosed with this TIB. Further copies are available from your local Inland Revenue district office.

It is intended to produce the Calendar annually.

UPDATED INLAND REVENUE PUBLICATIONS

The following publications have been updated and are now available:

- FS 6 Family Support and Guaranteed Minimum Family Income February 1990
- IR 184 PAYE Guide for Employers March 1990
- IR 259 Guaranteed Retirement Income Earners Surcharge February 1990
- IR 269 Land Tax Guide February 1990
- IR 274 Imputation February 1990
- IR 282 Putting Your Tax Affairs Right March 1990

Following is a complete list of our publications together with the latest print date. These publications are available from your local district office.

NO	SUBJECT	LATEST PRINT
FS 6	Family Support and Guaranteed Minimum Family Income	Feb 90
GS 600	GST Guide	Feb 89
GS 605	Guide to Registration for GST	May 88
IR 40C	Tax Facts for Income Tested Beneficiaries	Feb 89
IR 184	PAYE Guide for Employers	Mar 90
IR 259	Guaranteed Retirement Income Earners' Surcharge	Mar 90
IR 262	National Superannuitant Surcharge	Feb 89
IR 267	Understanding Taxes - A Guide for Secondary School Students	Sep 89
IR 269	Land Tax Guide	Feb 90
IR 274	Imputation	Feb 90
IR 274B	Dividend Imputation	May 89
IR 275	International Tax Guide	Jun 89
IR 276	Taxation on Profits from Selling Shares	Sep 89
IR 277	Retirement Allowances and Redundancy Payments	Apr 89
IR 279	Interest PAYE Guide	Sep 89
IR 282	Putting Your Tax Affairs Right	Mar 90
IR 283	Interest PAYE Payers' Guide	Sep 89
IR 284	Dividend PAYE	Sep 89
IR 287	Problem Resolution	May 89
IR 288	Taxation of Trusts	May 89

IR 289	Provisional Tax	Apr 89
IR 291	Tax Guide for Non Residents	Mar 90
IR 292	NZ Tax Residence	Apr 89
IR 295	New Provisional Tax Rules	Aug 88
IR 634	Estate & Gift Duty	Aug 89

CASINO CONTROL ACT 1990— AMENDMENTS TO THE GOODS AND SERVICES TAX ACT 1985

The item which appeared in the Tax Information Bulletin No. 9 (the March edition) was incorrectly issued.

The Casino Control Bill 1989 has not yet been enacted and there is still the possibility that it could be changed.

Once the Bill has been passed through all stages, information on how it relates to the Goods and Services Tax Act 1985, will be issued.

Reference: LA GST 1990 leg. vol.

INDEX TO TAX INFORMATION BULLETINS

An Index to TIB's No 1 to 10 is enclosed with this bulletin. An index will be issued 6 monthly.

DUE DATES REMINDER

May 14	Interest PAYE deducted during April 1990 due for monthly payers.
	Dividend PAYE deducted during April 1990 due.
	Non-Resident Withholding Tax deducted during April 1990 due.
20	PAYE Tax deducted during first 15 days of May 1990 due ("Large" Employers)
	PAYE Tax deducted during April 1990 due ("Small" Employers)
31	Annual Wage Reconciliation and Employer AC Levy statement (IR 68) to be filed, and AC Levy paid.
	Annual Imputation Return (IR 4J) due.

31	Specified Dividend Reconciliation (IR 17S) due.
	Interest PAYE Annual Reconciliation (IR 15S) due.
June 1	GST Return and Payment for period ended 30 April 1990 due.
5	PAYE Tax deducted during last 16 days of May 1990 due ("Large" Employers)
7	First instalment of 1991 Provisional Tax due for taxpayers with February Balance Dates.
	Second instalment of 1991 Provisional Tax due for taxpayers with October Balance Dates.
	Third instalment of 1991 Provisional Tax due for taxpayers with June Balance Dates.
	Annual Tax Return (IR 5) due for Salary and Wage Earners.
14	Interest PAYE deducted during May 1990 due for monthly payers.
	Dividend PAYE deducted during May 1990 due.
	Non-Resident Withholding Tax deducted during May 1990 due.
20	PAYE Tax deducted during first 15 days of June 1990 due ("Large" Employers)
	PAYE Tax deducted during May 1990 due ("Small" Employers)
July 1	GST Return and Payment for period ended 31 May 1990 due.
5	PAYE Tax deducted during last 15 days of June 1990 due ("Large" Employers)
7	First instalment of 1991 Provisional Tax due for taxpayers with March Balance Dates.
	Second instalment of 1991 Provisional Tax due for taxpayers with November Balance Dates.
	Third instalment of 1991 Provisional Tax due for taxpayers with July Balance Dates.
	Annual Tax Returns due for -
	- Provisional Taxpayers
	- Companies
	- Maori Authorities
	- Partnerships
	- Estates and Trusts
	- Clubs
	- Superannuation Funds
	with Balance dates between 1 October to 7 May inclusive. (For Balance Dates between 8 May to 30 September Inclusive, returns are due two months after Balance date.)

TAX INFORMATION BULLETIN NO.10

MAY 1990

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*TAX INFORMATION
BULLETIN*



THIS IS AN INLAND REVENUE DEPARTMENT SERVICE
TO PEOPLE WITH AN INTEREST IN THE TECHNICAL ASPECTS
OF TAXATION IN NEW ZEALAND.