SECTION 10.—TAXATION OF RACING AND TROTTING CLUBS

218. Any discussion of this subject must be prefaced by a statement that it does not in any way relate to—

(*a*) Totalizator duty and dividend duty which are paid by the public and in respect of which the clubs are, in effect, no more than collecting agents for the Government; or to

(*b*) Amusement-tax, which is paid either directly or indirectly by the public; or to

(*c*) Stakes-tax, which is paid by winning owners.

We are dealing only with the income-tax payable by clubs and with the social security charges collected from them under the Social Security Act, 1938. Some account of the incidence of the income-tax liability is necessary. In the interests of brevity we abstain from giving particulars of the social security contributions paid.

219. For the 1945–46 racing year, which is the latest year for which we have any figures, three racing clubs paid over £1,500 in income-tax; six paid between £900 and £1,500; one paid between £500 and £900; eight paid between £300 and £500; nine paid between £150 and £300; four paid between £100 and £150; ten paid between £50 and £100; nine paid from nothing to £50, whilst thirty-four paid no income-tax at all.

220. Of the sum of £192,121 paid by all the racing clubs, £104,000 was paid by seven clubs. The principal contributors were the Auckland Racing Club, £48,477; Avondale Racing Club, £12,258; Canterbury Jockey Club, £11,324; Wellington Racing Club, £8,354. The next highest contributor was the Hawke's Bay Jockey Club, which paid £1,413. The marked difference between the sum paid by the lowest contributor of the high-tax-paying group and the sum paid in tax by the highest contributor of the lower-tax-paying group is a striking feature. It indicates the class of racing club which will benefit most from any remission in taxation.

221. The trotting clubs show similar divergences. For the 1946–47 season of an aggregate sum of £36,666 paid by all trotting clubs, five clubs paid £32,292. The Auckland Trotting Club paid £11,418 in income-tax, the New Zealand Metropolitan Trotting Club paid £10,004, and the New Brighton Trotting Club paid £5,173. The next highest contributor was the Canterbury Park Trotting Club, which paid £3,135. It was followed by the Wellington Trotting Club, which paid £2,562. Two clubs paid between £1,000 and £1,150; two clubs paid between £300 and £350; three clubs paid between £200 and £300; three paid between £100 and £200, whilst six paid less than £100. Eight paid no