

Dr. JAMESON : He will bring forward a statement, I presume, that he paid on that occasion.

25 April 1907.

DOUBLE PAY-
MENT OF INCOME
TAX.

CHANCELLOR OF THE EXCHEQUER : Yes. If he is a person entitled to an abatement; that is to say, if his whole income is less than 700*l.* a year, which is our upward limit for abatement, then he is entitled to an abatement of something between 70*l.* and 160*l.* according to the amount of his income, and he would be entitled *pro tanto* to have that refunded if the company had taken the full rate from him.

Sir JOSEPH WARD : I ask the question because we have had representations made rather the other way. Taking the case of a limited liability company registered in London and with their shareholders here, earning its money in our country upon which they charge him income tax on their earnings there—whom do you charge—the company?

CHANCELLOR OF THE EXCHEQUER : We charge the company.

Sir JOSEPH WARD : The shareholders are not resident in our country at all in the case I am taking; they are here. Amongst the representations made is one that in our country the Company has first to pay income tax to the New Zealand Government which is charged to the shareholders as a whole, and then the individual shareholder pays again in England. That is what we have been told.

CHANCELLOR OF THE EXCHEQUER : They could not possibly.

Dr. JAMESON : In the case of those paying income tax on money earned in the Colony, say that they registered a company in London, therefore the profits would be received in London and paid out in London, and so they would pay a second time in London according to the present conditions because, as put here in the case of this company Sir Joseph Ward is talking about now, the income tax is a tax upon income received in the United Kingdom. If the company is registered here the income will be received in the United Kingdom and your man will pay. Yours is the same as ours in the Cape which taxes only the income earned in the country where the tax is in force, but it will pay both there and in England.

CHANCELLOR OF THE EXCHEQUER : That may be, but I thought the question was whether we collected the tax twice over, once from the company and once from the shareholder.

Sir JOSEPH WARD : Yes.

CHANCELLOR OF THE EXCHEQUER : And my answer was addressed to that question. We never get the tax twice over.

Sir HENRY PRIMROSE : No.

CHANCELLOR OF THE EXCHEQUER : If you choose to tax him you get it. There is nothing in international or municipal law to prevent you paying income tax twice, in two different countries, if the laws of those countries each allow it.