

It is presumed that Robinson took advantage of the provisions in the Act and secured the Commissioner's consent to his closing his books on 30th June, on the grounds that the latter was a more convenient date for his farming operations.

It should be understood that in the deductible expenses for labour may be included wages paid by the farmer to members of his own family, except, of course, his wife. Such payments, however, require to be supported by documentary evidence if asked for by the Tax Department.

In connection with the claim for depreciation of premises it may be explained that "written off" means actually written off in pursuance of a proper system of accounting. In the case of a dwelling depreciation is allowed on one-third of the cost, the other two-thirds being regarded as used for private purposes.

The taxpayer should for his own information keep a copy of the return he submits to the Commissioner of Taxes, in order that he may be able to check the assessment of tax when made.

From the return it will be seen that John Robinson's net assessable income is £600, and his assessment under present rates is arrived at as follows:—

			<i>Ordinary Tax.</i>		
			£	s.	d.
Assessable income	600	0 0
Less ordinary exemption	300	0 0
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Less children's allowance	£300	0 0
				75	0 0
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Less life-insurance premiums	£225	0 0
				30	0 0
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Less 5 per cent. on unimproved value of land				£195	0 0
(£4,000)	£200	0 0
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There is thus no balance available for the ordinary tax.

			<i>War-tax and Super Tax.</i>		
			£	s.	d.
Assessable income	600	0 0
Less exemption	300	0 0
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War-tax at 6d. in £1	7	10 0
Super tax (50 per cent.)	3	15 0
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				£11	5 0
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The total income-tax payable is therefore £11 5s.

NOTE.—The writer's acknowledgments are due to Mr. W. M. Singleton, Assistant Director of the Dairy Division, for his assistance in assuming figures as to dairying operations on as near a practical basis as possible. Other branches of farming may be dealt with later.