



Customs and Excise (Tobacco Products—Budget Measures) Amendment Act 2012

Public Act 2012 No 77
Date of assent 23 October 2012
Commencement see section 2

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79AB Rates of duties for tobacco products increased by 10% if not indexed on 1 January in 2013 to 2016	3

The Parliament of New Zealand enacts as follows:**1 Title**

This Act is the Customs and Excise (Tobacco Products—Budget Measures) Amendment Act 2012.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the Customs and Excise Act 1996 (the **principal Act**).

*Purpose***4 Four substantive 10% increases**

- (1) This Act amends the principal Act to increase by 10%, on 1 January in 2013, 2014, 2015, or 2016, every rate that is—
 - (a) in the Excise and Excise-equivalent Duties Table (as defined in section 76A of that Act); and
 - (b) a rate of excise or excise-equivalent duty on a tobacco product (as defined in section 79(4) of that Act); and
 - (c) in force immediately before that date.
- (2) Those 4 substantive 10% increases in every rate of that kind are to be made—
 - (a) by an annual indexation Order in Council that is made under section 79(1) and (3A) of the principal Act, and that comes into force on that date; or
 - (b) if no order of that kind comes into force on that date, by section 79AB of that Act.

*Amendments to principal Act***5 Section 79 amended (Indexation of rates of excise duty and excise-equivalent duty on alcoholic beverages and tobacco products)**

- (1) After section 79(3), insert:

- “(3A) If an Order in Council is made under subsection (1), changes the rates of excise duty and excise-equivalent duty for tobacco products, and comes into force on 1 January in 2013, 2014, 2015, or 2016, then despite subsections (1) to (3),—
- “(a) every new rate of excise duty or excise-equivalent duty that the Order in Council imposes on a tobacco product is calculated by adding 10% of the existing rate of duty on the product to the result achieved by applying the formula in subsection (3); and
 - “(b) the Order in Council must be called (as the case requires) an Excise and Excise-equivalent Duties Table (Tobacco Products Indexation and Separate 10% Increase) Amendment Order 2012, 2013, 2014, or 2015.”
- (2) Section 79(3A) of the principal Act (as inserted by subsection (1)) is repealed on 1 January 2016 (but without affecting any new rates imposed before or on that date by any orders to which it applies).

6 New section 79AB inserted (Rates of duties for tobacco products increased by 10% if not indexed on 1 January in 2013 to 2016)

- (1) Before section 79A, insert:
- “79AB Rates of duties for tobacco products increased by 10% if not indexed on 1 January in 2013 to 2016**
- “(1) This section, in accordance with section 76G(1), amends the Excise and Excise-equivalent Duties Table.
- “(2) A rate in that Table is amended by this section only if the rate is one that is—
- “(a) a rate of excise duty or excise-equivalent duty on a tobacco product (as defined in section 79(4)); and
 - “(b) in force immediately before 1 January in 2013, 2014, 2015, or 2016; and
 - “(c) not changed on that date by an Order in Council made under section 79(1) and (3A).
- “(3) The rate is on that date replaced with a new rate calculated by adding to the rate an amount equal to 10% of the rate.”

- (2) Section 79AB of the principal Act (as inserted by subsection (1)) is repealed on 1 January 2016 (but without affecting any amendments it makes before or on that date).

Legislative history

24 May 2012	Introduction (Bill 22–1), first reading, and referral to Finance and Expenditure Committee
30 August 2012	Reported from Finance and Expenditure Committee
25 September 2012	Second reading
26 September 2012	Divided from Customs and Excise (Tobacco Products—Budget Measures) Amendment Bill by committee of the whole House as Bill 22–2
16 October 2012	Third reading
23 October 2012	Royal assent

This Act is administered by the New Zealand Customs Service.
