

# **Taxation (Transformation: First Phase Simplification and Other Measures) Bill**

Government Bill

As reported from the Finance and Expenditure Committee

## **Commentary**

### **Recommendation**

The Finance and Expenditure Committee has examined the Taxation (Transformation: First Phase Simplification and Other Measures) Bill and recommends that it be passed with the amendments shown.

### **Introduction**

This bill seeks to simplify and improve the administration of the tax system. Its provisions deal with the first phase of the Government's programme to transform the Inland Revenue Department (IRD).

The main policy measures in this bill would provide for easier communication with and by the IRD, simplified tax rules, and the sharing of information.

The bill would amend the following legislation:

- Income Tax Act 2007
- Tax Administration Act 1994
- Goods and Services Tax Act 1985
- KiwiSaver Act 2006
- Child Support Act 1991
- Student Loan Scheme Act 2011
- Gaming Duties Act 1971
- Accident Compensation Act 2001.

This commentary covers the main amendments we recommend to the bill. We do not discuss minor or technical amendments.

## Employee share schemes

The income that employees receive through share-purchase agreements is not taxed at source. Currently, the employee receiving the benefit must file a tax return to account for its value.

The bill seeks to improve the collection of income tax on the benefits that employees receive under share-purchase agreements. It proposes that employers be allowed to choose to withhold tax on the value of any benefits that an employee receives under such a scheme. Whether they choose to withhold tax or not, employers would be required to disclose the tax value of such benefits, using the employer monthly schedule.

We recommend some changes to the timing of reporting and the scope of the proposals. We discuss these changes in the following sections.

Should the bill be enacted, the IRD undertook to monitor any matters that might arise as employers start to implement the proposed provisions, to ensure that full compliance is practicable.

### PAYE reporting and timeframes

Large employers (those whose PAYE obligations exceed \$500,000 each year) could have problems meeting the requirements for timely filing of the employer monthly schedule. For example, there could be delays in receiving the necessary information from overseas parent companies, share registry firms, or former employees.

We recommend a new rule that shifts the point at which employment income is recognised under an employee share scheme. Under this new rule, the income would be shifted to the next payment return period. This would give large employers additional time to compile the information that they need to disclose in the employer monthly schedule.

We recommend inserting new clause 7B to amend section CE 2 of the Income Tax Act. The new clause would provide that, when an employer is required to produce an employer monthly schedule for a benefit received by an employee, whether or not the employer has elected to withhold and pay tax for that benefit, the employee is treated as deriving income from the benefit in the pay period after the period in which they receive the benefit.

### Scope of proposals

We recommend amending the bill to specify some additional instances when provisions relating to employee share schemes might or might not apply.

#### *Commissioner-approved share-purchase schemes*

Section CE 2(7) of the Income Tax Act specifies a tax value of zero for any share benefits an employee accrues under a share-purchase scheme that is approved by the Commissioner. This means that the bill's requirement to disclose the value of benefits received under a Commissioner-approved scheme would be of little benefit.

Therefore, we recommend amending clause 54, which inserts new section RD 7B into the Income Tax Act, to specify that, subject to conditions specified by the bill, the treatment of certain benefits under employee share agreements would not apply to benefits arising under a share-purchase scheme approved by the Commissioner.

We also recommend amending clause 109, which would amend section 46 of the Tax Administration Act, to specify that the new rules would not apply to a benefit arising under a share-purchase scheme approved by the Commissioner (subject to other conditions specified by the bill).

#### *Non-associated third parties*

We recommend amending clause 54, which would amend section 46(6) of the Tax Administration Act. Our amendment would make it clear that employment income arising from an employee disposing of their rights to shares under a share-purchase agreement to a non-associated third party would be outside the scope of the new rules.

#### *Former employees*

We recognise that it would be unreasonably difficult for employers to provide the necessary information for a disclosure requirement when the employment relationship has ended. Therefore, we consider that the bill's proposals should not apply to former employees unless the employer has chosen to withhold tax. We recommend amending clause 109 (which would amend section 46 of the Tax Administration Act) to specify that the new rules would not apply when a former employee receives the benefit.

### **Interaction with the Accident Compensation Act 2001**

The bill's proposals to change the method of collecting tax on employee share benefits using the PAYE rules are not intended to alter employees' current obligations under the Accident Compensation Act. We consider that the status quo should be maintained, and that employee share benefits should not be considered as PAYE income payments when determining an employee's earner's levy liability.

Therefore, we recommend amending clause 222 and inserting clause 223 to specify that earnings as an employee or shareholder employee do not include any benefit arising from a share-purchase agreement where an employer has elected to withhold and pay tax for the benefit.

### **Exclusion for Australasian share sole proceeds of managed funds**

The bill would amend the exemption contained in section EX 31 of the Income Tax Act that excludes certain share investments listed on the Australian Stock Exchange (ASX) from attribution under the foreign investment fund rules. Currently, the exemption applies to some shares that are listed on an approved index under the ASX operating rules.

The requirement that the shares be listed on an approved index creates considerable uncertainty for investors and administrative cost for the IRD because companies

move on or off an approved index from time to time. The bill would amend the exemption to apply it to some shares in companies listed on the ASX, irrespective of whether they are also listed on an ASX-approved index.

However, the bill, as introduced, did not amend section CX 55 of the Income Tax Act, which covers the taxation of share disposal proceeds by managed funds such as portfolio investment entity funds and which also refers to shares included in an approved index under the ASX market rules.

We consider that the amendments should cover both sections EX 31 and CX 55 so that taxpayers investing through a fund would not be tax-disadvantaged when compared to direct investors. We recommend inserting new clause 7C, which would amend section CX 55 of the Income Tax Act to remove the requirement to include the shares in an approved index under the ASX market rules and insert instead a requirement for the shares to be in companies listed on the ASX, in line with section EX 31.

We also recommend that both amendments be applicable from the 2017/18 income year onwards, rather than 2016/17, as was originally proposed. This is to ensure the amendments do not apply retrospectively, which would result in additional compliance costs for some taxpayers, in particular unit valuers. We recommend inserting new subclause 7C(2) to specify that the proposed amendment in 7C(1) (which would amend Section CX 55 of the Income Tax Act) applies for the 2017/18 and later income years.

## **Communications framework**

### **Use of common verbs**

The bill proposes to clarify the options available in communications between taxpayers and the IRD as the IRD moves away from paper towards digital services. It covers various methods of communication, including oral, electronic, and more formal methods requiring written or original documents. The bill sets out a three-tiered approach for communication, using the following verbs: ask, request, or inform; apply or notify; and formally notify.

We are concerned that the use of common verbs to signal specific methods of communicating could confuse taxpayers. For example, where the bill proposes that a taxpayer must “notify” their employer, we consider that the taxpayer might think it reasonable to tell their employer, unaware that the bill specifies that, to satisfy the defined meaning of the verb “notify”, a communication must be by electronic means, in print, or in another manner acceptable to the Commissioner.

Therefore, we considered that it would be helpful if sections that contain these common verbs also contain a reference to the meaning of the verb used. We recommend amending clauses 68, 71, and 177B so that definitions of verbs used structurally in the Income Tax Act, the Tax Administration Act, and the Goods and Services Tax Act would be inserted into the interpretation provisions of those Acts. We also recommend adding the common verbs to the defined terms list in every section of the Income Tax Act that contains one of these verbs. This would involve amendments to a

number of clauses (clauses 5, 6, 9, 11, 12, 14-30, 36-39, 41-44, 46, 48-51, 55-58, 60-66, and 69). To cover other sections in the Act that are not otherwise being amended by the bill, we recommend adding a schedule to the bill to insert the common verbs into the lists of defined terms in those sections.

### **Notify/notice**

It is unclear how provisions of the tax Acts that require a “notice” relate to the definition of “notify” under the bill’s proposed new communications framework. We recommend amending clause 68(7), clause 71(4B), and clause 177B, to specify that the definition of “notify” would include “to give notice”.

### **Requested/required**

The bill, as introduced, would amend section 91EE of the Tax Administration Act by removing the word “requested” and replacing it with “required” so that the Commissioner may notify an applicant that further information is required. We are concerned that under section 143(1)(b) of the Act, an applicant would be committing an offence if they did not provide the information required by the Commissioner.

This was not intended by the bill. We recommend amending clauses 137, 140, 144, 146, and 150 to remove references to the Commissioner requiring applicants to provide information.

### **Special tax codes**

#### **“No notification” tax code**

Clause 83 of the bill, as introduced, would amend section 24B(3) of the Tax Administration Act, which requires an employee to notify their employer which of the tax codes listed in that section applies to them. Currently, a “no notification” tax code applies when an employee does not provide their employer with a tax code.

However, section 24B(3) of the Tax Administration Act incorrectly includes the “no notification” tax code in a list of codes. We consider that this legislative error should be corrected. We recommend amending clause 83, which would amend section 24B(3) of the Tax Administration Act, to address this issue.

#### **Special tax code certificate**

Currently, an employee can apply for a special tax code for their New Zealand Superannuation or Veterans’ Pension income or their employment income from one or more employers. In the bill as introduced, a legislative oversight would incorrectly limit application of the special tax code to the income from one employer, instead of to income from more than one employer. We recommend amending clause 84, which would amend section 24F of the Tax Administration Act, to include reference to income from one or more employers.

## Supporting co-location

The IRD currently has a co-located office with the Ministry of Social Development in Christchurch and is considering further co-location with government agencies in other offices and call-centre environments to increase efficiency and improve services. Clause 117(1) of the bill would insert new subsection 1BB into section 81 of the Tax Administration Act to amend the secrecy provisions. It would ensure that an IRD employee working in a co-located environment would not risk sanctions if they were responsible for inadvertently disclosing information to employees of the co-located government agency.

We considered whether the amendment was unnecessary because criminal penalty provisions apply only where an employee knowingly acts in contravention of section 81 of the Tax Administration Act. Should a breach of taxpayer information occur, a legal process could determine whether that breach was unintended or made knowingly and apply appropriate sanctions.

However, we consider that an employee could be judged to have knowingly contravened section 81 where instead, the breach was inadvertent but occurred where there was real risk inherent in the co-located environment. For example, an IRD employee might be aware of the risk that a co-located employee could overhear information, but not be able to avoid that possibility.

To ensure the secrecy of taxpayer information, we considered whether government agency employees should be made to sign the same secrecy declaration as the IRD employees they co-locate with. However, we consider that this would not be appropriate because IRD employees have specific obligations, under their declaration, to maintain the integrity of the tax system. Such obligations are not applicable to other government employees. We also consider that having the IRD and government agency employees share the same secrecy agreement might be conducive to allowing a broader sharing of information, which is not the intention of the bill.

We considered the risk that removing the threat of sanctions might discourage IRD employees from taking reasonable care in protecting the secrecy of taxpayer information. We also note that the bill's proposed drafting, "does not intend the communication to be received by the recipient", in clause 117 might incentivise reckless or negligent behaviour.

On balance, we recommend amending the bill to require IRD employees to take reasonable care relating to the nature of the co-located environment when communicating information. Being compelled to take reasonable care would motivate employees to proactively manage the risk associated with a co-located environment. It would also provide an additional safeguard against reckless and negligent behaviour.

We recommend amending clause 117(1) to insert new subsection (1BB) into section 81 of the Tax Administration Act. This would specify that, among other conditions, an IRD employee does not breach secrecy conditions if they did not intend the breach and took the care reasonable for the place and conditions to prevent it.

## Information sharing

### Software intermediaries

The bill would introduce a range of provisions to facilitate digital and electronic communication between the IRD and taxpayers. The IRD's Business Transformation programme anticipates that customers could send information directly from their accepted business software and that the IRD in turn could send information to the customer's accepted business software.

We note that the IRD could be in breach of the tax secrecy obligation contained in section 81 of the Tax Administration Act if information it sent to a customer's accepted business software was disclosed to a third party, that is, the software intermediary providing and maintaining the customer's business software.

To prevent this, we recommend inserting new subclause 117(4B) to provide that transmitting information about a taxpayer through accepted business software provided and maintained by a software intermediary would not breach the secrecy provision of section 81 of the Tax Administration Act.

### Biometric information

Clause 117(5) would amend section 81 of the Tax Administration Act to authorise the disclosure of taxpayer voice biometric information to an officer or employee of a public sector agency. The amendment specifies that the data could be released only with the taxpayer's consent and only for the purpose of verifying the identity of the client.

We consider that, as an additional safeguard to protect the privacy of taxpayer information, the Minister of Revenue should be notified when biometric information is shared. We recommend amending clause 117(5) by inserting subparagraph (v) to provide an additional requirement that biometric information could be shared if the Minister of Revenue had been notified by the Commissioner that such information would be communicated to the public sector agency.

## Provisions relating to KiwiSaver

### Automatic enrolment criteria

The bill specifies criteria for who KiwiSaver automatic enrolment rules apply to. It is intended that an automatic enrolment would be treated as a "mistaken" enrolment if one or more of these criteria was not met. However, we consider that the wording of the bill as introduced appears to treat an automatic enrolment as mistaken only if there is a failure to meet all criteria. We recommend that clause 207, which would amend section 59A of the KiwiSaver Act, be amended to specify that automatic enrolment rules would apply to a person who does not meet one or more of the criteria specified by the Act.

**Opt-out for minors incorrectly enrolled**

Minors (children under the age of 18) can join KiwiSaver only if they have the consent of their legal guardians. The bill, as introduced, allows minors who have been incorrectly enrolled in KiwiSaver when they entered employment to opt out before their 19th birthday.

We recognise that joining KiwiSaver is a serious undertaking and that minors should be protected from being automatically enrolled. However, we consider that the opt-out criteria specified in the bill should not apply to minors if they have made a conscious decision about their choice of KiwiSaver fund, because this decision would validate their earlier incorrect enrolment.

We recommend amending clause 210, which would insert new section 59CB into the KiwiSaver Act 2006, to specify that the bill's opt-out provisions would not apply when a person has contracted directly with a provider, either with the consent of their guardians (if still a minor) or independently (if over the age of 18), about their choice of KiwiSaver provider or fund.



## **Appendix**

### **Committee process**

The Taxation (Transformation: First Phase Simplification and Other Measures) Bill was referred to the committee on 13 October 2015. The closing date for submissions was 13 November 2015. We received and considered 12 submissions from interested groups and individuals. We heard oral evidence from three submitters.

We received advice from the Inland Revenue Department and our specialist tax adviser, Therese Turner (Chartered Accountant).

### **Committee membership**

David Bennett (Chairperson)

Andrew Bayly

Chris Bishop

Hon Clayton Cosgrove

Julie Anne Genter

Stuart Nash

Rt Hon Winston Peters

Grant Robertson

Jami-Lee Ross

Alastair Scott

David Seymour



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**Key to symbols used in reprinted bill**

**As reported from a select committee**

text inserted unanimously

~~text deleted unanimously~~



*Hon Michael Woodhouse*

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Schedule 59

**Income Tax Act 2007: insertion of items in lists of defined terms**

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

- 1 Title**  
This Act is the Taxation (Transformation: First Phase Simplification and Other Measures) Act **2015**.
- 2 Commencement** 5
- (1) This Act comes into force on the day on which it receives the Royal assent, except as provided in this section.
- (2) **Sections 35, 59, 101, and 116(1)** come into force on 1 April 2016.
- (3) **Sections 7B, 7C, 35, 52, 53, 54, 109, 204, and 222, and 223** come into force on 1 April 2017. 10

**Part 1**  
**Amendments to Income Tax Act 2007**

- 3 Income Tax Act 2007 amended**  
This Part amends the Income Tax Act 2007.
- 4 Section BF 1 amended (Other obligations)** 15  
Repeal section BF 1(e).
- 5 Section CB 8 amended (Disposal: land used for landfill, if notice of election)**
- (1) In section CB 8(d), replace “gives written notice to” with “notifies”.
- (2) In section CB 8, in the list of defined terms, insert “notice” and “notify”. 20
- 6 Section CB 28 amended (Environmental restoration accounts)**
- (1) In section CB 28(1), replace “request” with “application”.
- (2) In section CB 28, in the list of defined terms, insert “apply”.
- 7 Section CD 34B amended (Distributions to members of co-operative companies)** 25
- (1) Replace section CD 34B(1)(a) with:
- (a) the distribution is made after the co-operative company has notified the Commissioner that they have elected to apply this section; and
- (2) In section CD 34B, in the list of defined terms, insert “notify”.

- 7B Section CE 2 amended (Value and timing of benefits under share purchase agreements)**
- (1) After section CE 2(9), insert:
- When subsection (11) applies*
- (10) **Subsection (11)** applies when an employer to whom section RD 22(2B) (Returns for amounts of tax paid to Commissioner) and section 46(1) of the Tax Administration Act 1994 apply—
- (a) has made an election under **section RD 7B** (Treatment of certain benefits under employee share agreements) to withhold and pay an amount of tax in relation to a benefit received by an employee under subsection (2) or (4); or
- (b) is required to furnish an employer monthly schedule under **section 46(6B)** of that Act in relation to a benefit received by an employee under subsection (2) or (4).
- Deferral of income recognition*
- (11) The employee is treated as deriving employment income in relation to the benefit in the pay period following the period in which they receive the benefit.
- (2) In section CE 2, in the list of defined terms, insert “amount of tax”, “employment income”, and “pay period”.
- (3) **Subsection (1)** applies for the 2017–18 and later income years.
- 7C Section CX 55 amended (Proceeds from disposal of investment shares)**
- (1) In section CX 55(3)(b)(ii), replace “is included in an approved index under the ASX Market Rules made under Chapter 7 of the Corporations Act 2001 (Aust)” with “is included on the official list of ASX Limited, a market licensee under Chapter 7 of the Corporations Act 2001 (Aust)”.
- (2) **Subsection (1)** applies for the 2017–18 and later income years.
- 8 Section CZ 25 amended (Land and buildings as revenue account property affected by Canterbury earthquakes and replaced—insurance or compensation, Government purchase)**
- (1) In section CZ 25(1)(d), replace “gives written notice to” with “notifies”.
- (2) In section CZ 25(6), before paragraph (a), replace “give written notice to” with “notify”.
- (3) In section CZ 25, in the list of defined terms, insert “notify”.
- 9 Section DQ 4 amended (Environmental restoration accounts scheme)**
- (1) In section DQ 4(3)(a), replace “request” with “application”.
- (2) In section DQ 4, in the list of defined terms, insert “apply”.

- 10 Section EC 7 amended (Valuation methods)**  
In the heading to section EC 7(6), delete “*written*”.
- 11 Section EC 46 amended (Use of bloodstock for racing)**
- (1) In section EC 46(4), delete “in writing”.
- (2) In section EC 46, in the list of defined terms, insert “apply”. 5
- 12 Section EC 48 amended (Replacement breeding stock)**
- (1) In section EC 48(8), delete “in writing”.
- (2) In section EC 48, in the list of defined terms, insert “apply”.
- 13 Section EG 1 amended (Election to use balance date used in foreign country)** 10
- (1) In section EG 1(4)(a), replace “agrees in writing” with “notifies the person that the election can apply”.
- (2) In section EG 1(4)(b), replace “agrees in writing” with “notifies the person that the election can apply”.
- (3) Replace section EG 1(6)(a) with: 15
- (a) the person seeks the Commissioner’s agreement to revoke the election, and the Commissioner notifies them that they may revoke the election; or
- (4) In section EG 1, in the list of defined terms, insert “notify”.
- 14 Section EH 12 amended (Application for refund by person, trustee of estate, Official Assignee, or liquidator)** 20
- (1) Repeal section EH 12(2)(a).
- (2) In section EH 12, in the list of defined terms, insert “apply”.
- 15 Section EH 13 amended (Refund on request)**
- (1) In the heading to section EH 13, replace “**request**” with “**application**”. 25
- (2) In section EH 13, in the list of defined terms, insert “apply”.
- 16 Section EH 14 amended (Income when refund given on request)**
- (1) In the heading to section EH 14, replace “**request**” with “**application**”.
- (2) In section EH 14, in the list of defined terms, insert “apply”.
- 17 Section EH 44 amended (Application for refund by person, trustee of estate, Official Assignee, or liquidator)** 30
- (1) Repeal section EH 44(2)(a).
- (2) In section EH 44, in the list of defined terms, insert “apply”.



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- 18 Section EH 45 amended (Refund on request)**
- (1) In the heading to section EH 45, replace “**request**” with “**application**”.
- (2) In section EH 45, in the list of defined terms, insert “apply”.
- 19 Section EH 46 amended (Income when refund given on request)**
- (1) In the heading to section EH 46, replace “**request**” with “**application**”. 5
- (2) In section EH 46, in the list of defined terms, insert “apply”.
- 20 Section EH 70 amended (Application for refund by person or liquidator)**
- (1) Repeal section EH 70(2)(a).
- (2) In section EH 70, in the list of defined terms, insert “apply”.
- 21 Section EH 71 amended (Refund on request)** 10
- (1) In the heading to section EH 71, replace “**request**” with “**application**”.
- (2) In section EH 71, in the list of defined terms, insert “apply”.
- 22 Section EH 72 amended (Income when refund given on request)**
- (1) In the heading to section EH 72, replace “**request**” with “**application**”.
- (2) In section EH 72, in the list of defined terms, insert “apply”. 15
- 23 Section EI 1 amended (Spreading backward of income from timber)**
- (1) In section EI 1(3), delete “in writing”.
- (2) In section EI 1, in the list of defined terms, insert “apply”.
- 24 Section EI 3 amended (Assigning or granting copyright)**
- (1) In section EI 3(5)(a), delete “in writing”. 20
- (2) In section EI 3(5)(b), delete “in writing”.
- (3) In section EI 3, in the list of defined terms, insert “apply”.
- 25 Section EI 8 amended (Disposal of land to the Crown)**
- (1) Replace section EI 8(4)(a) with:
- (a) the person, or another person for them, must apply to the Commissioner: 25
- (2) In section EI 8, in the list of defined terms, insert “apply”.
- 26 Section EK 11 amended (Application for refund)**
- (1) Repeal section EK 11(2)(a).
- (2) In section EK 11, in the list of defined terms, insert “apply”.
- 27 Section EK 12 amended (Refund if request or excess balance)** 30
- (1) In the heading to section EK 12, replace “**request**” with “**application**”.
- (2) In the heading to section EK 12(2), replace “*request*” with “*application*”.

- (3) In section EK 12, in the list of defined terms, insert “apply”.
- 28 Section EK 13 amended (Income when refund given on request)**
- (1) In the heading to section EK 13, replace “**request**” with “**application**”.
- (2) In section EK 13, in the list of defined terms, insert “apply”.
- 29 Section EK 14 amended (Application for transfer)** 5
- (1) Repeal section EK 14(2)(a).
- (2) In section EK 14, in the list of defined terms, insert “apply”.
- 30 Section EK 15 amended (Transfer on request)**
- (1) In the heading to section EK 15, replace “**request**” with “**application**”.
- (2) In the heading to section EK 15(2), replace “*request*” with “*application*”. 10
- (3) In section EK 15, in the list of defined terms, insert “apply”.
- 31 Section EK 16 amended (Transfer on death, bankruptcy, or liquidation)**
- (1) In section EK 16(2), replace “informed” with “notified”.
- (2) In section EK 16, in the list of defined terms, insert “notify”.
- 32 Section EW 15E amended (Determination alternatives)** 15
- (1) Replace section EW 15E(3)(b)(i), with:
- (i) all companies in the group notify the Commissioner that they choose *Determination G9C or G14B* on or before the 63rd day after the person entered into the financial arrangement, or a later time as the Commissioner allows; and 20
- (2) In section EW 15E, in the list of defined terms, insert “Commissioner” and “notify”.
- 33 Section EW 26 (Change of spreading method)**
- (1) In section EW 26(1), replace “the Commissioner has given written authorisation for the change” with “the Commissioner has authorised the change and notified the person of the authorisation”. 25
- (2) In section EW 26(2), replace “written authorisation” with “notification”.
- (3) In section EW 26, in the list of defined terms, insert “notify”.
- 34 Section EW 33B amended (Foreign ASAPs: designated FX hedges)**
- (1) Replace section EW 33B(2)(b) with: 30
- (b) the person notifies the Commissioner that they have made an irrevocable election to apply this section to all financial arrangements for property and services described in paragraph (a)(i) and (ii), at the time of—

- (i) filing a return of income for the income year in which they enter into the financial arrangement; or
- (ii) filing a return of income for an earlier income year; and
- (2) In section EW 33B, in the list of defined terms, insert “Commissioner” and “notify”. 5
- 35 Section EX 31 amended (Exemption for ASX-listed Australian companies)**
- (1) In section EX 31(2), replace the heading with “*ASX-listed Australian company*”.
- (2) In section EX 31(2)(c), replace “have shares included in an index that is an approved index under the ASX Operating Rules” with “be included on the official list of ASX Limited, a market licensee under Chapter 7 of the Corporations Act 2001 (Aust)”. 10
- (3) **Subsections (1) and (2)** apply for the ~~2016–17~~2017–18 and later income years.
- 36 Section EY 11 amended (Superannuation schemes providing life insurance)** 15
- (1) In section EY 11(9), replace “made a written application” with “applied”.
- (2) In section EY 11, in the list of defined terms, insert “apply”.
- 37 Section EY 49 amended (Non-resident life insurer becoming resident)**
- (1) In section EY 49(2), replace “a written” with “an”. 20
- (2) In section EY 49, in the list of defined terms, insert “apply”.
- 38 Section EZ 23B amended (Property acquired after depreciable property affected by Canterbury earthquakes)**
- (1) In section EZ 23B(1)(f), before paragraph (i), replace “gives written notice to” with “notifies”. 25
- (2) In section EZ 23B(9), before paragraph (a), replace “give written notice to” with “notify”.
- (3) In section EZ 23B, in the list of defined terms, insert “notify”.
- 39 Section EZ 23BB amended (Interest in property acquired after depreciable property affected by Canterbury earthquakes)** 30
- (1) In section EZ 23BB(1)(g), replace “gives written notice to” with “notifies”.
- (2) In section EZ 23BB(10), before paragraph (a), delete “written”.
- (3) In section EZ 23BB, in the list of defined terms, insert “notify”.

- 40 Section EZ 35 amended (Accruals in relation to income and expenditure in respect of financial arrangements)**  
In section EZ 35(3)(c), replace “unless otherwise authorised in writing by the Commissioner” with “unless the Commissioner notifies them that they are otherwise authorised”. 5
- 41 Section EZ 52B amended (Consistency of use of IFRS method: Determination G3 change allowed)**
- (1) In section EZ 52B(1)(b)(ii), delete “in writing”.  
(2) In section EZ 52B(1)(c)(ii), delete “in writing”.  
(3) In section EZ 52B, in the list of defined terms, insert “notify”. 10
- 42 Section FE 18 (Measurement of debts and assets of worldwide group)**
- (1) In section FE 18(4), replace “ask” with “apply to”.  
(2) In section FE 18, in the list of defined terms, insert “apply”.
- 43 Section FM 4 amended (Limiting joint and several liability of group companies)** 15
- (1) In section FM 4(2), replace “ask” with “apply to”.  
(2) In section FM 4(3), replace “a request” with “an application”.  
(3) In section FM 4, in the list of defined terms, insert “apply”.
- 44 Section GC 11 amended (Requests for matching treatment)**
- (1) In the heading to section GC 11, replace “Requests” with “Applications”. 20  
(2) In section GC 11(1)(b), delete “in writing”.  
(3) In section GC 11, in the list of defined terms, insert “apply” and “notify”.
- 45 Section HB 13 amended (LTC elections)**  
In section HB 13(2), delete “written”.
- 46 Section LF 8 amended (Credits for persons who are non-resident or who receive exempt income)** 25
- (1) In section LF 8(5)(a), replace “ask” with “apply to”.  
(2) In section LF 8, in the list of defined terms, insert “apply”.
- 47 Heading and sections LZ 9 to LZ 12 repealed**  
Repeal the heading above section LZ 9 and sections LZ 9 to LZ 12. 30
- 48 Section RC 8 amended (GST ratio method)**
- (1) Repeal section RC 8(4)(b).  
(2) In section RC 8, in the list of defined terms, insert “inform”.

- 49 Section RC 17 amended (When GST ratio must not be used)**
- (1) Replace section RC 17(4)(a) with:
- (a) they ask the Commissioner; and
- (2) In section RC 17, in the list of defined terms, insert “ask” and “notice”.
- 50 Section RC 18 amended (Changing calculation method)** 5
- (1) In section RC 18(2), delete “, and may do this either in writing or by telephone”.
- (2) In section RC 18(5), replace “For this purpose, the person may provide the estimate in writing or by telephone.” with “The person must inform the Commissioner of the estimate.” 10
- (3) In section RC 18, in the list of defined terms, insert “inform”.
- 51 Section RC 19 amended (Disposal of assets)**
- (1) In section RC 19(3), delete “, and may do this either in writing or by telephone”.
- (2) In section RC 19, in the list of defined terms, insert “inform”. 15
- 52 Section RD 6 amended (Certain benefits and payments)**
- (1) After section RD 6(1)(c), insert:
- (d) a benefit under section CE 2(2) and (4) (Value and timing of benefits under share purchase agreements) ~~to the extent to which section RD 7B applies to the amount of the benefit.~~ in relation to which the employer has made an election under section RD 7B. 20
- (2) In section RD 6(2), replace “The value of the benefit or amount of the payment” with “For the purposes of subsection (1)(a) to (c), the value of the benefit or amount of the payment”.
- (3) After section RD 6(3)(a), insert: 25
- (ab) for a benefit referred to in **subsection (1)(d)**, the pay period in which the employee is treated as ~~receiving~~ deriving the benefit under section CE 2(11) (Value and timing of benefits under share purchase agreements); or
- (4) In section RD 6, in the list of defined terms, insert “~~amount, employer, extra pay, share purchase agreement~~”, “employer”, and “share purchase agreement”. 30
- (5) **Subsections (1) to (4)** apply for the 2017–18 and later income years.
- 53 Section RD 7 amended (Extra pay)**
- (1) After section RD 7(1)(b), insert:
- (bb) includes a benefit under section CE 2(2) ~~or (4)~~ (Value and timing of benefits under share purchase agreements) ~~to the extent to which section RD 7B applies to the amount of the benefit~~ in relation to which the 35

employer has made an election under **section RD 7B** to withhold an amount of tax; and

- (1B) In section RD 7, in the list of defined terms, insert “amount of tax”.
- (2) **Subsection (1)** applies for the 2017–18 and later income years .
- (3) **Subsection (1)**— 5
- (a) applies for the 2017–18 and later income years:
- (b) for an employer who has a share purchase agreement that applies for a class of their employees and who has treated a benefit under section CE 2(2) or (4) as a PAYE income payment in the period from 1 April 2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008. 10

**54 New section RD 7B inserted (Treatment of certain amounts of extra pay benefits under employee share agreements)**

- (1) After section RD 7, insert:

**RD 7B Treatment of certain amounts of extra pay benefits under employee share agreements** 15

*When this section applies*

- (1) This section applies, for an employee or a former employee, when—
- (a) an employer has a share purchase agreement that applies for a class of their employees; and 20
- (b) an the employee who is a member of the class derives an amount of extra pay under **section RD 7(1)(bb)** through the receipt of receives a benefit described in section CE 2(2) or (4) (Value and timing of benefits under share purchase agreements) in relation to the agreement.

*What this section does not apply to* 25

- (1B) This section does not apply to a benefit arising under a share purchase scheme approved by the Commissioner on meeting the criteria set out in sections DC 13 and DC 14 (which relate to loans to employees under share purchase schemes).

*Withholding amounts of tax* 30

- (2) The employer may choose, in relation to the share purchase agreement, to withhold and pay an amount of tax for the extra pay benefit. The employer makes the election by—
- (a) calculating the amount of tax that must be withheld and paying the amount to the Commissioner as described in section RD 4(1); and 35
- (b) including the amount of the benefit in their employer monthly schedule under section RD 22(1); and

<p>(c) making the disclosure referred to in <b>paragraph (b)</b> within the time required under <b>section RD 6(3)(ab)</b>.</p> <p>Defined in this Act: amount, amount of tax, <u>associated person</u>, Commissioner, employee, employer, employer monthly schedule, <u>employment income</u>, extra pay, pay, share purchase agreement, <u>share purchase scheme</u>, tax</p> <p>(2) <b>Subsection (1)</b> applies to income derived on or after 1 April 2017.</p> <p>(2) <b>Subsection (1)</b>—</p> <p>(a) <u>applies for the 2017–18 and later income years:</u></p> <p>(b) <u>for an employer who has a share purchase agreement that applies for a class of their employees and who has treated a benefit under section CE 2(2) or (4) as a PAYE income payment in the period from 1 April 2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008.</u></p>	<p>5</p> <p>10</p>
<p><b>55 Section RD 30 amended (Private use of motor vehicle: 24-hour period)</b></p>	
<p>(1) In section RD 30(6), before paragraph (a), replace “ask” with “apply to”.</p> <p>(2) <u>In section RD 30, in the list of defined terms, insert “apply”.</u></p>	<p>15</p>
<p><b>56 Section RD 60 amended (Close company option)</b></p>	
<p>(1) In section RD 60(2), before paragraph (a), delete “in writing or by telephone”.</p> <p>(2) <u>In section RD 60, in the list of defined terms, insert “ask” and “inform”.</u></p>	
<p><b>57 Section RD 61 amended (Small business option)</b></p>	
<p>(1) In section RD 61(2), before paragraph (a), delete “in writing or by telephone”.</p> <p>(2) <u>In section RD 61, in the list of defined terms, insert “ask” and “inform”.</u></p>	<p>20</p>
<p><b>58 Section RD 68 amended (Choosing to have amount treated as salary or wages)</b></p>	
<p>(1) In section RD 68(2), replace “revoked in writing” with “they notify their employer of its revocation”.</p> <p>(2) <u>In section RD 68, in the list of defined terms, insert “notify”.</u></p>	<p>25</p>
<p><b>59 Section RM 5 amended (Overpayment on income statements)</b></p>	
<p>(1) In section RM 5(1), replace “\$200” with “\$600”.</p> <p>(2) <b>Subsection (1)</b> applies for income statements issued on or after 1 April 2016.</p>	<p>30</p>
<p><b>60 Section RM 12 amended (Reduction in provisional tax liability)</b></p>	
<p>(1) In section RM 12(2), before paragraph (a), delete “in writing”.</p> <p>(2) In section RM 12(3), before paragraph (a), delete “in writing”.</p> <p>(3) <u>In section RM 12, in the list of defined terms, insert “apply”, “ask”, and “request”.</u></p>	<p>35</p>

- 61 Section RM 21 amended (Refunds when loss balances used to reduce net income)**
- (1) In section RM 21(4)(a), delete “in writing”.
  - (2) In section RM 21(4)(c), replace “make an election to use the tax loss in writing” with “notify the Commissioner of its election to use the tax loss”. 5
  - (3) In section RM 21, in the list of defined terms, insert “apply” and “notify”.
- 62 Section RP 17B amended (Tax pooling accounts and their use)**
- (1) In section RP 17B(5), replace “ask” with “apply to”.
  - (2) In section RP 17B(6), replace “ask” with “apply to”.
  - (3) In section RP 17B(10), before paragraph (a), replace “agree in writing” with “notify the person”. 10
  - (4) In section RP 17B, in the list of defined terms, insert “apply”, “ask”, and “notify”.
- 63 Section RP 19 amended (Transfers from tax pooling accounts)**
- (1) In section RP 19(1), replace “ask” with “apply to”. 15
  - (2) In section RP 19(2), replace “ask” with “apply to”.
  - (3) In section RP 19(3)(c), replace “a request” with “an application”.
  - (4) In section RP 19(3)(d), replace “request” with “application”.
  - (5) In section RP 19, in the list of defined terms, insert “apply”.
- 64 Section RP 19B amended (Transfers for certain expected tax liabilities) 20**
- (1) In section RP 19B(5)(b), replace “request” with “application”.
  - (2) In section RP 19B, in the list of defined terms, insert “apply” and “request”.
- 65 Section RP 20 amended (Declining, amending, or reversing transfers)**
- (1) In section RP 20(1), replace “asks” with “applies to the Commissioner”.
  - (2) In section RP 20(2), replace “request” with “application” in each place where it appears. 25
  - (3) In section RP 20(2B), before paragraph (a), replace “request” with “application”.
  - (4) In section RP 20(2B)(a), replace “request” with “application”.
  - (5) In section RP 20(2B)(b), replace “request” with “application”. 30
  - (6) In section RP 20, in the list of defined terms, insert “apply”.
- 66 Section RP 21 amended (Refunds from tax pooling accounts)**
- (1) In section RP 21, replace “ask” with “apply to”.
  - (2) In section RP 21, in the list of defined terms, insert “apply”.



- 67 Heading and sections RZ 7 to RZ 10 repealed**  
Repeal the heading above section RZ 7 and sections RZ 7 to RZ 10.
- 68 Section YA 1 amended (Definitions)**
- (1) This section amends section YA 1.
- (2) In the definition of **ancillary tax**, repeal paragraph (n). 5
- (2B) Insert, in appropriate alphabetical order:  
**apply**, for a mode of communication, has the meaning set out in **section 14C** of the Tax Administration Act 1994  
**ask**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994 10
- (3) Repeal the definition of **authorised savings institution**.
- (4) In the definition of **excluded ancillary tax**, repeal paragraph (e).
- (5) Repeal the definition of **home ownership requirements**.
- (6) Repeal the definition of **increase in savings**.
- (6B) Insert, in appropriate alphabetical order: 15  
**inform**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994
- (7) Replace the definition of **notify** with: 20  
**notify**, in relation to a method of communication, has the meaning described in **section 14C or 14D** of the Tax Administration Act 1994, as appropriate—  
(a) means to give notice; and  
(b) for a mode of communication, has the meaning set out in **section 14C or 14D** of the Tax Administration Act 1994, as appropriate
- (7B) Insert, in appropriate alphabetical order: 25  
**request**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994
- (8) Repeal the definition of **special account**.
- (9) Repeal the definition of **special home ownership account**.
- (10) Repeal the definition of **withdrawal certificate**.
- (11) Repeal the definition of **withdrawal income**. 30
- (12) Repeal the definition of **withdrawal tax**.
- 69 New section YA 4 inserted (General rules for giving information or communicating matters)**  
After section YA 2, insert:

**YA 4 General rules for giving information or communicating matters***General rules*

- (1) **Sections 14 to 14G** of the Tax Administration Act 1994 apply for the purposes of this Act, unless the context requires otherwise, when a person gives information to, or communicates with, another person by— 5
- (a) asking or requesting:
  - (b) informing:
  - (c) applying:
  - (d) notifying:
  - (e) formally notifying. 10

*Overriding provisions*

- (2) **Section 14E** of that Act sets out the ways in which specific provisions may override the general rules.

*Delivery*

- (3) **Sections 14F and 14G** of that Act set out the options available for communicating by personal delivery, post, fax, or electronic means. 15

Defined in this Act: apply, ask, inform, notify, and request

**69B Income Tax Act 2007: insertion of items in lists of defined terms**

The words listed in column 1 of the **schedule** are inserted, in the appropriate alphabetical order, in the lists of defined terms of the sections of the Income Tax Act 2007 listed in column 2. 20

**Part 2****Amendments to Tax Administration Act 1994****70 Tax Administration Act 1994 amended**

This Part amends the Tax Administration Act 1994. 25

**71 Section 3 amended (Interpretation)**

- (1) This section amends section 3(1).

**(1B) Insert, in appropriate alphabetical order:**

**accepted software package** means a computer program or group of computer programs that is used for business, accounting, tax, or other purposes and is accepted by the Commissioner for use in communicating information to the Commissioner and receiving information from the Commissioner 30

**(1C) Insert, in appropriate alphabetical order:**

**apply**, for a mode of communication, has the meaning set out in **section 14C**  
**ask**, for a mode of communication, has the meaning set out in **section 14B** 35

- (2) Repeal the definition of **authorised savings institution**.
- (3) In the definition of **Commissioner’s official opinion**, paragraph (a), —
- (a) in paragraph (i), replace “, given by the Commissioner, either orally or in writing,” with “communicated by the Commissioner”:
- (b) in paragraph (ii), replace “, in writing” with “notifying the taxpayer”. 5
- (3B) Insert, in appropriate alphabetical order:  
**inform**, for a mode of communication, has the meaning set out in **section 14B**
- (4) Replace the definition of **notice** with:  
**notice**, for an item of information, means the form or manner in which the item is notified or communicated, as described in **section 14C or 14D**, as appropriate 10
- (4B) Insert, in appropriate alphabetical order:  
**notify—**
- (a) means to give notice; and 15
- (b) for a mode of communication, has the meaning set out in **section 14C or 14D**, as appropriate
- request**, for a mode of communication, has the meaning set out in **section 14B**
- (5) Replace the definition of **responsible department** with: 20  
**responsible department—**
- (a) in sections 81(4)(f) and (o), 82, and 85, means—
- (i) in relation to a benefit that is not a student allowance, the department for the time being responsible for the administration of the Social Security Act 1964: 25
- (ii) in relation to a student allowance, the department for the time being responsible for the administration of Part 25 of the Education Act 1989:
- (b) in **sections 24F and 24IB**, means the department for the time being responsible for the administration of the Social Security Act 1964 30
- (6) In the definition of **special tax code certificate**, replace “section 24F” with “**section 24F(1B)(b)**”.
- (7) Insert, in appropriate alphabetical order:  
**special tax code notification** means a special tax code notification under **section 24IB** 35
- (8) In the definition of **tax return**, paragraph (a), delete “, whether in electronic or written form and”.
- (9) Repeal the definition of **withdrawal tax**.

**72 Section 13 amended (Proof of signature of Commissioner)**

- (1) In section 13(1), replace “stamped or printed signature” with “printed or electronic signature”.
- (2) In section 13(2), replace “written, stamped, or printed signature” with “written, printed, or electronic signature”.

5

**73 New section 13B inserted (Use of electronic signatures for tax administration purposes)**

After section 13, insert:

**13B Use of electronic signatures for tax administration purposes**

- (1) Subject to meeting the criteria and requirements set out in the guidelines referred to in **subsection (2)** and the provisions of the Electronic Transactions Act 2002, a person may give information to the Commissioner under an electronic signature. 10
- (2) The Commissioner must publish guidelines that set out the criteria and technical requirements for— 15
  - (a) the use of a valid electronic signature on documents provided to the Commissioner:
  - (b) the nature of, and circumstances in which, the Commissioner accepts information under an electronic signature.
- (3) When the Commissioner receives a document bearing the electronic signature of a person, unless there are reasonable grounds to suppose otherwise,— 20
  - (a) the document is treated as signed by the person; and
  - (b) the person is treated as complying with both the guidelines referred to in **subsection (2)** and section 24 of the Electronic Transactions Act.

**74 Sections 14, 14B, and 14C replaced**

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Replace sections 14, 14B, and 14C with:

**14 Modes of communication: general provisions**

- (1) **Sections 14B to 14E** apply for the purposes of this Act, the Income Tax Act 2007, and the Goods and Services Tax Act 1985, unless the context requires otherwise, to set out what is meant when a person (**person A**) gives information to, or communicates with, another person (**person B**) by— 30
  - (a) asking or requesting:
  - (b) informing:
  - (c) applying:
  - (d) notifying: 35
  - (e) formally notifying.

- (2) **Sections 14F and 14G** set out the requirements for giving information or communicating by personal delivery, post, fax, or electronic means.
- (3) Despite sections 6, **14B(2)(c)**, and **14C(2)(a)**, and sections 16 and 20 of the Electronic Transactions Act 2002, when there are reasonable grounds to suppose an electronic communication will be received by a person, the consent of the person is not required in order for the Commissioner to communicate in electronic form. 5
- (4) Despite **subsection (1)**, **sections 14C to 14G** apply when any other Act requires the Commissioner to give notice to a person, or a person to give notice to the Commissioner. 10

**14B Asking, requesting, or informing**

- (1) This section applies when a provision in this Act, the Income Tax Act 2007, or the Goods and Services Tax Act 1985 refers to or describes person A—
- (a) asking person B for something;
  - (b) requesting something from person B; 15
  - (c) informing person B about something.
- (2) Person A may communicate—
- (a) by telephone; or
  - (b) orally in person in a manner acceptable to the Commissioner; or
  - (c) by electronic means, if person A complies with the provisions of the Electronic Transactions Act 2002, and for an item of information delivered in a way referred to in **section 14F**; or 20
  - (d) in print and delivered in a way referred to in **section 14F**, whether the document is handwritten, typewritten, or otherwise visibly represented, and whether copied or reproduced on paper; or 25
  - (e) in another manner permitted by the Commissioner.
- (3) However, communication under this section does not include communication on the internet or by other electronic means, if person B is not directly alerted to the communication in some manner.
- (4) **Section 14E** may apply to override the application of this section. 30

**14C Applying or notifying**

- (1) This section applies when a provision in this Act, the Income Tax Act 2007, or the Goods and Services Tax Act 1985 refers to or describes person A—
- (a) applying to person B for something;
  - (b) notifying person B about something. 35
- (2) Person A may communicate—

- (a) by electronic means, if person A complies with the provisions of the Electronic Transactions Act 2002, ~~and for an item of information delivered in a way referred to in **section 14F**~~; or
- (b) in print and delivered in a way referred to in **section 14F**, whether the document is handwritten, typewritten, or otherwise visibly represented, and whether copied or reproduced on paper; or 5
- (c) in another manner permitted by the Commissioner.
- (3) However, communication under this section does not include communication on the internet or by other electronic means, if person B is not directly alerted to the communication in some manner. 10
- (4) **Section 14E** may apply to override the application of this section.
- 14D Formally notifying**
- (1) If a provision in this Act, the Income Tax Act 2007, or the Goods and Services Tax Act 1985 refers to or describes person A formally notifying person B, person A may communicate only in print, delivered personally or by registered post, whether the document is typewritten, or otherwise visibly represented, and whether copied or reproduced on paper. 15
- (2) However, communication under this section does not include communication by email, the internet, or other electronic means.
- (3) **Section 14E** may apply to override the application of this section. 20
- 14E Overriding provisions**
- (1) A specific provision in this Act, the Income Tax Act 2007, or the Goods and Services Tax Act 1985 may apply to override the application of **sections 14B to 14D** by— 25
- (a) specifying the way in which a person gives information or communicates a matter:
- (b) prescribing the manner, form, or format for giving information or communicating a matter:
- (c) providing for the Commissioner to prescribe the manner, form, or format for giving information or communicating a matter. 30
- (2) **Sections 14B to 14D** apply to a provision in the Acts referred to in **subsection (1)** that relates to or implements a double tax agreement or other agreement described in section BH 1 of the Income Tax Act 2007 only to the extent to which they are not inconsistent with the application of the agreement.
- 14F Giving information by personal delivery, post, fax, or electronic means** 35
- (1) This section applies when a provision in this Act, the Income Tax Act 2007, or the Goods and Services Tax Act 1985 requires person A to deliver information to person B. ~~communication between person A and person B as described in **sections 14B(2), 14C(2), and 14D(1)**.~~

- (2) When the Commissioner is person A, the Commissioner may communicate with person B—
- (a) if person B is not a corporate body,—
    - (i) by personal delivery to person B; or
    - (ii) by personal delivery to person B’s usual or last known place of residence; or
  - (b) if person B is a corporate body, by personal delivery to person B’s office during working hours; or
  - (c) by delivery to person B’s contact address as described in **section 14G**.
- (3) When the Commissioner is person B, person A may communicate with the Commissioner—
- (a) by electronic means if, in delivering the communication, person A complies with the Electronic Transactions Act 2002; or
  - (b) by fax, to a fax number that has been provided by the Commissioner; or
  - (c) by personal delivery during working hours to an office of the department that is available to accept communication of the information; or
  - (d) by post—
    - (i) to the street address of an office of the department; or
    - (ii) to the post office box number of the department.
- (4) When the Commissioner is neither person A nor person B, person A may communicate with person B—
- (a) if person B is not a corporate body, by personal delivery to person B; or
  - (b) if person B is a corporate body, by personal delivery to person B’s office during working hours; or
  - (c) by delivery to person B’s contact address as described in **section 14G**.
- (5) For the purposes of **subsection (2)**, the Commissioner may communicate with—
- (a) the person; or
  - (b) a representative authorised to act on behalf of the person in relation to the relevant matter.
- (6) A communication by post is treated as having been given at the time the communication would have been delivered in the ordinary course of the post.
- (7) Section 11 of the Electronic Transactions Act 2002 applies to determine the time of receipt of an electronic communication.
- (8) For the purposes of this section and **section 14G**, delivery by electronic means does not include a communication to a fax number.

**14G Contact addresses**

For the purposes of **section 14F(2) and (4)**, a person’s contact address may be 1 of the following:

- (a) for delivery by electronic means to a person who is not a corporate body,— 5
  - (i) an email or other electronic address that they have provided:
  - (ii) their last known email or other electronic address:
  - (iii) an email or other electronic address of the person that is otherwise available, if there are reasonable grounds to suppose that the person will receive the communication: 10
- (b) for delivery by electronic means to a person who is a corporate body,—
  - (i) an email or other electronic address of the corporate body provided by a person acting for or on behalf of the corporate body in relation to the relevant matter:
  - (ii) the last known email or other electronic address of a person acting for or on behalf of the corporate body in relation to the relevant matter: 15
  - (iii) an email or other electronic address of the corporate body that is otherwise available, if there are reasonable grounds to suppose that a person acting for or on behalf of the corporate body in relation to the relevant matter will receive the communication: 20
- (c) for delivery by post,—
  - (i) the street address of their usual or last known place of residence; or
  - (ii) the street address of any of their usual or last known places of business; or 25
  - (iii) any other address of the person, if they have notified the Commissioner that they accept delivery at the address:
- (d) for delivery by fax, a fax number that has been provided or is otherwise available. 30

**75 Section 15P amended (Role of Commissioner)**

In section 15P(2)(c), replace “ask” with “apply”.

**76 Section 17 amended (Information to be furnished on request of Commissioner)**

- (1) In section 17(1), replace “in writing any information” with “any information in a manner acceptable to the Commissioner.” 35
- (2) In section 17(1D), delete “in writing”.
- (3) In section 17(5), delete “written”.



<b>77</b>	<b>Section 17A amended (Court orders for production of information or return)</b>	
(1)	In section 17A(2), delete “written”.	
(2)	In section 17A(14), replace “written form” with “a document”.	
<b>78</b>	<b>Section 20 amended (Privilege for confidential communications between legal practitioners and their clients)</b>	<b>5</b>
	In section 20(1)(a), delete “, whether oral or written.”.	
<b>79</b>	<b>Section 20C amended (Treatment of document)</b>	
(1)	In section 20C(2)(b)(ii), replace “informs” with “notifies”.	
(2)	Replace section 20C(3)(b) with:	<b>10</b>
	(b) the person notifies the Commissioner that the document is not eligible to be a tax advice document for the person:	
(3)	Replace section 20C(3)(c) with:	
	(c) the person notifies the Commissioner that they withdraw the claim that the document is a tax advice document for the person:	<b>15</b>
<b>80</b>	<b>Section 20D amended (Claim that document <del>is</del> tax advice document)</b>	
	In section 20D(5), replace “written confirmation from” with “notification by”.	
<b>81</b>	<b>Section 21 amended (Information requisitions in relation to offshore payments)</b>	
	In section 21(4), before paragraph (a), replace “informs” with “notifies”.	<b>20</b>
<b>82</b>	<b>Section 22 amended (Keeping of business and other records)</b>	
	In section 22(8), before paragraph (a), delete “in writing”.	
<b>83</b>	<b>Section 24B amended (PAYE tax codes)</b>	
	Replace <del>section 24B(3)(h)</del> with:	
	(h) <del>no notification</del> when the employee or Commissioner has not provided the employer with a—	<b>25</b>
	(i) <del>tax code notification; or</del>	
	(ii) <del>tax code certificate; or</del>	
	(iii) <del>special tax code notification; or</del>	
	(iv) <del>special tax code certificate.</del>	<b>30</b>
(1)	<u>Repeal section 24B(3)(h).</u>	
(2)	<u>After section 24B(3), insert:</u>	
(3B)	<u>An employee has a <b>no notification</b> tax code if—</u>	

- (a) an employee does not notify their employer of their tax code under subsection (3); and
- (b) the Commissioner has not provided the employer with a—
- (i) tax code notification; or
  - (ii) tax code certificate; or
  - (iii) special tax code notification; or
  - (iv) special tax code certificate.
- 84 Section 24F amended (Special tax code certificates)**
- (1) In section 24F, replace the heading with “**Special tax codes**”.
- (2) Before section 24F(1), insert:
- (1A) An employee may apply to the Commissioner for a special tax code.
- (1AB) When applying for a special tax code, an employee must ask the Commissioner for the special tax code to apply to either—
- (a) their New Zealand superannuation income or veteran’s pension income; or
  - (b) their other employment income from 1 or more employers.
- (3) In section 24F(1), replace “The Commissioner may provide an employee with a special tax code certificate” with “After an application is received under **subsection (1A)**, the Commissioner may issue a special tax code for an employee”.
- (4) In section 24F(1), delete “under section 24H(1)”.
- (5) After section 24F(1), insert:
- (1B) When a special tax code is issued for an employee under subsection (1), the Commissioner must—
- (a) notify the responsible department under **section 24IB**, if the employee asks under **subsection (1AB)(a)** for the special tax code to apply to their New Zealand superannuation income or veteran’s pension income; or
  - (b) give the employee a special tax code certificate that includes the information required under section 24F(2) and (3), if the employee asks under **subsection (1AB)(b)** for the special tax code to apply to their other employment income from 1 or more employers.
- (6) In section 24F(2)(a), after “certificate” insert “or notification”.
- (7) In section 24F(3), replace “period referred to in the certificate, and set out in the certificate” with “period referred to in the certificate or notification”.
- (8) Replace section 24F(4) with:
- (4) When an employee provides a special tax code certificate to their employer or the Commissioner provides a special tax code notification to the responsible

	department, the provisions of the certificate or notification override anything in this Act and the Income Tax Act 2007 other than—	
	(a) the employee’s duties under sections RA 8, RA 10, and RD 4(2) of the Income Tax Act 2007; and	
	(b) <b>subsection (6)</b> and sections 24G and 24H.	5
(9)	In section 24F(5), replace “a tax code for a special tax code certificate” with “a special tax code”.	
(10)	Replace section 24F(6) with:	
(6)	The Commissioner may cancel a special tax code at any time, and upon cancellation, the Commissioner must notify the cancellation to—	10
	(a) the employee, if the employee has been given a special tax code certificate under <b>subsection (1B)(b)</b> ; or	
	(b) the employee and the responsible department, if a special tax code notification has been made under <b>section 24IB</b> .	
(7)	If the circumstances in <b>subsection (6)(a)</b> apply, the employee must—	15
	(a) return the special tax code certificate to the Commissioner within 7 days; and	
	(b) notify their employer under section 24H that their entitlement to use the special tax code has ended.	
<b>85</b>	<b>Section 24H amended (When entitlement to use tax code ends)</b>	20
	In section 24H(3), replace “The employee” with “If the circumstances in <b>section 24F(6)(b)</b> do not apply, the employee”.	
<b>86</b>	<b>Section 24I amended (PAYE tax code notification and certificate)</b>	
	In section 24I(1), replace “An employee” with “If <b>section 24IB</b> does not apply, an employee”.	25
<b>87</b>	<b>New section 24IB inserted (Special tax code notification)</b>	
	After section 24I, insert:	
	<b>24IB Special tax code notification</b>	
(1)	This section applies when—	
	(a) an employee asks under <b>section 24F(1AB)(a)</b> for a special tax code to apply to their New Zealand Superannuation income or veteran’s pension income; and	30
	(b) the Commissioner issues a special tax code for the employee under section 24F(1).	
(2)	The Commissioner must provide as soon as practicable a special tax code notification that includes the information required under section 24F(2) and (3) to	35

- an officer, employee, or agent of the responsible department whom the chief executive of the department authorises to receive the information.
- (3) Subject to **section 24F(4)**, the responsible department must apply the special tax code notification in relation to a PAYE income payment of New Zealand superannuation income or veteran’s pension (a **payment**) made to the employee after the date the notification is provided to the responsible department. 5
- (4) If the special tax code notification is provided to the responsible department after the next payment has been calculated, the department must use the notification in relation to a payment that follows the next payment.
- 88 Section 25 amended (RWT withholding certificates) 10**
- (1) In section 25(3), replace “request, by notice, the payer” with “notify the payer that they are required”.
- (2) In section 25(3), replace “the request” with “the notice”.
- (3) In section 25(7), after paragraph (b), replace “requested, by notice, by the recipient of the interest for such a certificate” with “notified by the recipient of the interest that they require such a certificate”. 15
- (4) Replace section 25(10) with:
- (10) For the purposes of this section, an RWT withholding certificate is treated as provided to a recipient if it is delivered in a way described in **section 14F(4)** to— 20
- (a) the recipient; or
- (b) a person authorised to act on behalf of the recipient.
- 89 Section 26 amended (Records to be kept for RWT purposes)**
- In section 26(6), delete “in writing”.
- 90 Section 27 amended (Provision of tax file numbers) 25**
- (1) In section 27(1), replace “shall, within 10 working days of receiving a request, by notice, from the payer, provide the payer with the recipient’s tax file number” with “must, if notified by the payer, provide their tax file number to the payer within 10 working days of receiving the notice”.
- (2) In section 27(2), after paragraph (b), replace “shall, within 10 working days of receiving a request, by notice, from the exempt person, provide the exempt person with the non-exempt person’s tax file number” with “must, if notified by the exempt person, provide their tax file number to the exempt person within 10 working days of receiving the notice”. 30
- 91 Section 28 amended (Recipient of resident passive income to provide tax file number when RWT not withheld) 35**
- (1) In section 28, above paragraph (a), delete “from”.
- (2) In section 28, above paragraph (a), delete “request by”.

- 92 Section 28B amended (Notification of investors' tax rates)**
- In section 28B, replace “provide their tax file number to the PIE” with “notify the PIE of their tax file number”.
- 93 Section 29 amended (Shareholder dividend statement to be provided by company)** 5
- Replace section 29(2) with:
- (2) For the purposes of this section, a shareholder dividend statement is treated as given to a shareholder if it is delivered in a way described in **section 14F(4)** to—
- (a) the shareholder; or 10
- (b) a person authorised to act on behalf of the shareholder.
- 94 Section 31 amended (Maori authority to give notice of amounts distributed)**
- Replace section 31(2) with:
- (2) For the purposes of this section, a notice is treated as given to a member if it is delivered in a way described in **section 14F(4)** to— 15
- (a) the member; or
- (b) a person authorised to act on behalf of the member.
- 95 Section 32 amended (Records of specified charitable, benevolent, philanthropic, or cultural bodies)** 20
- Replace section 32(2) with:
- (2) Despite subsection (1), on application by a gift-exempt body, the Commissioner may notify the body that they are authorised to keep the records in a language other than English.
- 96 Section 32A amended (Records to be provided by employer who contributes to superannuation fund)** 25
- (1) In section 32A(1), replace “Upon the request” with “On application”.
- (2) Repeal section 32A(2).
- (3) Replace section 32A(3) with:
- (3) A person who receives an application under subsection (1) must provide the information, to the extent it is held or can be accessed, no later than 20 working days after the date on which the application is made. 30
- 97 Section 32D amended (Disclosure requirements for purpose of continuity provisions and public unit trusts)**
- (1) Replace section 32D(1) with: 35

- (1) On application by a trustee of a public unit trust, the unit holder must provide the trustee with a statement notifying them of persons associated with the unit holder.
- (2) Repeal section 32D(2).
- (3) In section 32D(3), replace “a request” with “an application”. 5
- (4) In section 32D(3), replace “the request” with “the application”.
- 98 Section 32E amended (Applications for RWT exemption certificates)**  
In section 32E(3), before paragraph (a), delete “in writing”.
- 99 Section 32I amended (Providing RWT exemption certificate to person who does not meet requirements)** 10  
In section 32I(2), before paragraph (a), delete “in writing”.
- 100 Section 32M amended (Persons with approved issuer status)**  
In section 32M(3)(b), replace “asks” with “applies”.
- 101 Section 33AA amended (Exceptions to requirement for return of income)** 15  
(1) In section 33AA(1)(b), delete “certificate”.  
(2) **Subsection (1)** applies for the 2016–17 and later income years.
- 102 Section 33A amended (Annual returns of income not required)**  
In section 33A(1)(c), delete “certificate”.
- 103 Section 34B amended (Commissioner to list tax agents)** 20  
(1) In section 34B(6), replace “informing” with “advising”.  
(2) In section 34B(10), replace “informs” with “advises”.
- 104 Section 38 amended (Returns to annual balance date)**  
In section 38(3), replace “prior approval in writing” with “prior notified approval”.
- 105 Section 40 amended (General requirements for returns)** 25  
(1) In section 40(1),—  
(a) replace “return” with “tax return”;  
(b) delete “in writing”.  
(2) Replace section 40(2) with:  
(2) When a person furnishes a tax return by electronic means under **sections 14B(2)(c) and 14C(2)(a)**,— 30  
(a) the return must be filed in the prescribed electronic format; and

(b)	for the purposes of subsection (1)(a), the return may be filed under an electronic signature if the requirements of <b>section 13B</b> are met.	
(3)	In section 40(3), replace “return” with “tax return”.	
<b>106</b>	<b>Section 41B amended (Return by person applying for tax credit on redundancy payment)</b>	5
(1)	In section 41B(2)(b), delete “written”.	
(2)	In section 41B(4), replace “, by notice, inform” with “notify”.	
<b>107</b>	<b>Section 43A amended (Non-active companies may be excused from filing returns)</b>	10
(1)	In section 43A(1)(b)(i), replace “inform” with “notify”.	
(2)	In section 43A(6)(a), replace “inform” with “notify”.	
<b>108</b>	<b>Section 44D amended (Natural product dealer certificate)</b>	
	In section 44D(1), replace “in writing” with “for the certificate”.	
<b>109</b>	<b>Section 46 amended (Employers to make returns as to employees)</b>	15
(1)	After section 46(6), insert:	
(6B)	<del>For the purposes of subsection (1), other emoluments—includes a benefit that an employee receives under section CE 2(2) or (4) of the Income Tax Act 2007 in relation to which the employer has not made an election under <b>section RD 7B</b> of that Act to withhold an amount of income tax:</del>	
(a)	<u>includes a benefit that an employee receives under section CE 2(2) or (4) of the Income Tax Act 2007 in relation to which the employer has not made an election under <b>section RD 7B</b> of that Act to withhold an amount of income tax:</u>	20
(b)	<u>does not include—</u>	
(i)	<u>a benefit under a share purchase agreement received by a former employee:</u>	25
(ii)	<u>a benefit arising under a share purchase scheme approved by the Commissioner on meeting the criteria set out in sections DC 13 and DC 14 of that Act.</u>	
(2)	<del>Replace section 46(7) with:</del>	30
(7)	<del>In this section, <b>employee</b> includes—</del>	
(a)	<del>any person who receives or entitled to receive a payment that would, but for section RD 3(2) to (4) of the Income Tax Act 2007, be a PAYE income payment:</del>	
(b)	<del>a former employee who receives a benefit under section CE 2 of that Act in relation to which the employer has not made an election under <b>section RD 7B</b> of that Act to withhold an amount of income tax.</del>	35

- (3) **Subsection (1)** applies for the 2017–18 and later income years.
- 110 Section 46A amended (Accident Rehabilitation and Compensation Insurance Corporation to provide information as to recipients of weekly compensation)** 5  
In section 46A(2), replace “shall on request, on notice, of the Commissioner” with “must, when notified by the Commissioner”.
- 111 Section 56 repealed (Returns of special accounts)**  
Repeal section 56.
- 112 Section 58 amended (Returns of specified charitable, benevolent, philanthropic, or cultural bodies)** 10  
In section 58, replace “shall furnish, on request, by notice, of the Commissioner,” with “must, when notified by the Commissioner, furnish”.
- 113 Section 63 amended (Commissioner to be notified of bonus issue)**  
In section 63, replace “deliver in writing to the Commissioner” with “notify the Commissioner by providing”. 15
- 114 Section 80F amended (Taxpayer obligations and assessment on receipt of income statement)**  
(1) In section 80F(1), replace “inform” with “notify”.  
(2) In section 80F(2), before paragraph (a), replace “inform” with “notify”.  
(3) In section 80F(4), replace “inform” with “notify”. 20
- 115 Section 80G amended (Income statement deemed return)**  
In section 80G(1)(b), replace “inform” with “notify”.
- 116 Section 80H amended (Income statement deemed assessment)**  
(1) In section 80H(3)(c), replace “30th” with “15th”.  
(2) In section 80H(3)(d), replace “requests a refund of tax” with “confirms that the income statement is correct”. 25  
(3) **Subsection (1)** applies for income statements issued on or after 1 April 2016.
- 117 Section 81 amended (Officers to maintain secrecy)**  
(1) After section 81(1B), insert:  
(1BB) ~~An Inland Revenue officer does not breach subsection (1) in relation to a communication of a matter by an Inland Revenue officer who—~~ 30  
(a) ~~makes the communication to a person (the recipient) who is an Inland Revenue officer or a person to whom section 87 applies; and~~



- (b) ~~makes the communication at a place, and in conditions relating to the secrecy of information, in which the Commissioner expects Inland Revenue officers to perform their duties; and~~
- (e) ~~does not intend the communication to be received by the recipient.~~
- (1) After section 81(1B), insert: 5
- (1BB) An Inland Revenue officer does not breach subsection (1) in relation to a communication of a matter by an Inland Revenue officer who—
- (a) makes the communication to a person (the **recipient**) who is an Inland Revenue officer or a person to whom section 87 applies; and
- (b) makes the communication at a place, and in conditions relating to the secrecy of information, in which the Commissioner expects Inland Revenue officers to perform their duties; and 10
- (c) does not intend, and takes the care that is reasonable in the place and conditions to prevent, the receipt of the communication by the recipient.
- (2) After section 81(4)(eb), insert: 15
- (ec) communicating to a person who is an officer or employee of the Ministry of Business, Innovation and Employment, WorkSafe New Zealand, or an agency designated under section 28B of the Health and Safety in Employment Act 1992, information that—
- (i) the person is authorised by the Ministry, WorkSafe New Zealand, or agency, as applicable, to receive under workplace legislation; and 20
- (ii) the Commissioner considers is not undesirable to disclose and is reasonably necessary to enable the person to carry out a function, duty, or power conferred on the person under or in relation to workplace legislation: 25
- (3) Replace section 81(4)(j) with:
- (j) communicating to a person information requested by the person if—
- (i) the information is statistical or other general information that is in the public interest to communicate; and 30
- (ii) the information does not reveal the identity of a taxpayer; and
- (iii) the Commissioner considers that it is reasonable to communicate the information with regard to the considerations described in subsection (1B)(b)(i) to (v):
- (4) In section 81(4)(l), before paragraph (i), replace “writing or in such other” with “a”. 35
- (4B) After section 81(4)(lc), insert:

- (ld) communicating information relating to a person (the **software client**), who uses an accepted software package to communicate information to, and receive information from, the Commissioner,—
- (i) to a person, or an employee or agent of a person, who maintains the accepted software package for the software client; and 5
- (ii) as a consequence of communicating the information to the software client using the accepted software package:
- (5) Insert after section 81(4)(n):
- (nb) ~~communicating, to a person (the **officer**) who is an officer or employee of a public sector agency, as defined in the Privacy Act 1993, information that—~~ 10
- (i) ~~the officer is authorised by the public sector agency to receive; and~~
- (ii) ~~relates to a record of the voice of a person (the **client**), used by the Commissioner to verify the identity of the client, or relates to an analysis of the record; and~~ 15
- (iii) ~~is obtained, held, and communicated by the Commissioner for a purpose relating to verifying the identity of the client; and~~
- (iv) ~~the Commissioner is authorised by the client to communicate to the public sector agency:~~ 20
- (5) After section 81(4)(n), insert:
- (nb) communicating, to a person (the **officer**) who is an officer or employee of a public sector agency, as defined in the Privacy Act 1993, information if—
- (i) the officer is authorised by the public sector agency to receive the information; and 25
- (ii) the information relates to a record of the voice of a person (the **client**), used by the Commissioner to verify the identity of the client, or relates to an analysis of the record; and
- (iii) the information is obtained, held, and communicated by the Commissioner for a purpose relating to verifying the identity of the client; and 30
- (iv) the public sector agency is authorised by the client to receive the information; and
- (v) the Minister of Revenue has been notified by the Commissioner that such information will be communicated to the public sector agency: 35
- (6) After section 81(8)(b), insert:
- (c) **workplace legislation** means—

<p>(i) Electricity Act 1992:</p> <p>(ii) Employment Relations Act 2000:</p> <p>(iii) Equal Pay Act 1972:</p> <p>(iv) Gas Act 1992:</p> <p>(v) Hazardous Substances and New Organisms Act 1996:</p> <p>(vi) Health and Safety in Employment Act 1992:</p> <p><u>(vib) Health and Safety at Work Act 2015:</u></p> <p>(vii) Holidays Act 2003:</p> <p>(viii) Machinery Act 1950:</p> <p>(ix) Minimum Wage Act 1983:</p> <p>(x) Parental Leave and Employment Protection Act 1987:</p> <p>(xi) Volunteers Employment Protection Act 1973:</p> <p>(xii) Wages Protection Act 1983:</p> <p>(xiii) WorkSafe New Zealand Act 2013:</p> <p>(xiv) an Act under or in relation to which a labour inspector or an employee of WorkSafe New Zealand or a designated agency exercise their functions:</p> <p>(xv) any regulations made under the Acts listed in <b>subparagraphs (i) to (xiv)</b>.</p>	<p>5</p> <p>10</p> <p>15</p>
<p><b>118 Section 82A amended (Disclosure of information to prevent cessation of benefit payments)</b></p> <p>In section 82A(3), delete “, orally or in writing,”.</p>	<p>20</p>
<p><b>119 Section 83 amended (Disclosure of information for purposes of entitlement card)</b></p> <p>In section 83(2), before paragraph (a), replace “request, by notice, from” with “application by”.</p>	<p>25</p>
<p><b>120 Section 85C amended (Use and supply of information supplied for purposes of section 85B)</b></p> <p>In section 85C(b), replace “written” with “notified”.</p>	
<p><b>121 Section 85E amended (Disclosure of information for assessment of levies)</b></p> <p>In section 85E(2), before paragraph (a), replace “request, by notice, from” with “application by”.</p>	<p>30</p>
<p><b>122 Section 87 amended (Further secrecy requirements)</b></p> <p>After section 87(5)(a), insert:</p>	

- (ab) being a person, other than an Inland Revenue officer, who is employed by, or provides services to, a government agency and is required by the agency to perform their duties in a place, and with facilities, shared with Inland Revenue officers who are expected by the Commissioner to perform their duties in the place and with the facilities; or 5
- 123 Section 89 amended (Commissioner to inform Minister where funds of gift-exempt body applied for non-charitable purpose, etc)**
- (1) In the heading to section 89, replace “inform” with “notify”.
- (2) In section 89, replace “inform” with “notify”.
- 124 Section 89F amended (Content of notice of proposed adjustment)** 10
- (1) In section 89F(2)(b), replace “inform” with “advise”.
- (2) In section 89F(3)(b), replace “inform” with “advise”.
- 125 Section 89H amended (Deemed acceptance)**
- (1) In section 89H(3)(a), replace “reject in writing” with “notify the Commissioner that they reject”. 15
- (2) Replace section 89H(3)(b) with:
- (b) the disputant notifies the Commissioner that they accept all or a part of the Commissioner’s notice,—
- 126 Section 89I amended (Circumstances where disputant may not challenge adjustment)** 20
- Replace section 89I(1)(a) with:
- (a) notifies the Commissioner that they accept the adjustment; or
- 127 Section 89M amended (Disclosure notices)**
- (1) In section 89M(4), before paragraph (a), replace “inform” with “advise”.
- (2) In section 89M(6), before paragraph (a), replace “inform” with “advise”. 25
- 128 Section 89N amended (Completing the disputes process)**
- (1) In section 89N(1)(c)(viii), replace “agree in writing that” with “agree, recording their agreement in a document, that”.
- (2) In section 89N(1)(c)(ix), replace “agree in writing to” with “agree, recording their agreement in a document, to”. 30
- 129 Section 89O amended (Test cases)**
- In section 89O(2), replace “agree in writing to” with “agree, recording their agreement in a document, to”.

<b>130</b>	<b>Section 90AC amended (Determinations relating to financial arrangements)</b>	
(1)	In section 90AC(6)(b), replace “section.” with “section:”.	
(2)	After section 90AC(6)(b), insert:	
(c)	correct a typographical or minor error without cancelling the determination and making a new determination, provided that the correction does not change the meaning of the determination.	5
<b>131</b>	<b>Section 90AE amended (Four-year period in which determination not required to be applied)</b>	
	In section 90AE, replace “90AC(6)” with “90AC(6)(a) or (b)”.	10
<b>132</b>	<b>Section 91AAG amended (Determination on special rates and provisional rates)</b>	
	In section 91AAG(1), before paragraph (a), delete “, in writing.”.	
<b>133</b>	<b>Section 91AAL amended (Determination on maximum pooling value)</b>	
	In section 91AAL(1), delete “, in writing.”.	15
<b>134</b>	<b>Section 91AAN amended (Determinations on rates for diminishing value of environmental expenditure)</b>	
(1)	In section 91AAN(1), replace “request the Commissioner in writing” with “apply to the Commissioner”.	
(2)	In section 91AAN(8), replace “requested” with “applied for”.	20
<b>135</b>	<b>Section 91AAQ amended (Determination on insurer as non-attributing active CFC)</b>	
	In section 91AAQ(1), before paragraph (a), delete “in writing”.	
<b>136</b>	<b>Section 91DD amended (Extension of a public ruling)</b>	
	In section 91DD(1), replace “the <i>Gazette</i> ” with “a publication chosen by the Commissioner”.	25
<b>137</b>	<b>Section 91E amended (Commissioner to make private rulings on request)</b>	
(1)	In the heading to section 91E, replace “request” with “application”.	
(2)	Replace section 91E(4)(ga) with:	
(ga)	a notice of proposed adjustment has been issued, and the proposed ruling would apply to the same—	30
(i)	person; and	
(ii)	arrangement; and	
(iii)	tax type or separately identifiable issue; or	

- (3) In section 91E(4)(h), replace “has requested further information” with “notified the applicant that further information was required”.
- 138 Section 91EB amended (Application of a private ruling)**  
Replace section 91EB(2)(c) with:
- (c) the private ruling states an assumption that the Commissioner made about a future event or other matter, and the assumption subsequently proves to be materially incorrect; or
- 139 Section 91EC amended (Applying for a private ruling)**  
In section 91EC(4), delete “in writing”.
- 140 Section 91EE replaced/amended (Commissioner may request further information)**  
Replace section 91EE with:
- 91EE Commissioner may require further information**  
The Commissioner may at any time notify the applicant for a private ruling that they are required to provide further relevant information.  
In section 91EE, delete “, by notice,”.
- 141 Section 91EG amended (Right to consultation)**  
In section 91EG, replace “requested” with “applied for”.
- 142 Section 91EH amended (Content and notification of a private ruling)**  
Replace section 91EH(1)(e) with:
- (e) assumptions that the Commissioner has made about future events or other matters that are material to the ruling; and
- 143 Section 91EI amended (Withdrawal of a private ruling)**  
In section 91EI(1), delete “in writing”.
- 144 Section 91F amended (Commissioner may make product rulings)**  
In section 91F(4)(f), replace “has requested further information” with “notified the applicant that further information was required”.
- 145 Section 91FB amended (Application of a product ruling)**  
Replace section 91FB(2)(c) with:
- (c) the product ruling states an assumption that the Commissioner made about a future event or other matter, and the assumption subsequently proves to be materially incorrect; or

- 146 Section 91FE replaced/amended (Commissioner may request further information)**
- Replace section 91FE with:
- 91FE Commissioner may require further information**
- The Commissioner may at any time notify the applicant for a product ruling that they are required to provide further relevant information. 5
- In section 91FE, delete “, by notice.”.
- 147 Section 91FG amended (Right to consultation)**
- In section 91FG, replace “requested” with “applied for”.
- 148 Section 91FH amended (Content and notification of a product ruling)** 10
- (1) Replace section 91FH(1)(f) with:
- (f) assumptions that the Commissioner has made about future events or other matters that are material to the application of the ruling; and
- (2) In section 91FH(3), replace “Unless earlier publication is requested by the applicant in writing” with “Unless the applicant applies for earlier publication”. 15
- (3) In section 91FH(4), replace “If earlier publication is requested by the applicant” with “If the applicant applies for earlier publication”.
- 149 Section 91GB amended (Commissioner to make status rulings on request)**
- In the heading to section 91GB, replace “request” with “application”.
- 150 Section 91GD replaced/amended (Commissioner may request further information)** 20
- Replace section 91GD with:
- 91GD Commissioner may require further information**
- The Commissioner may at any time notify the applicant for a status ruling that they are required to provide further relevant information. 25
- In section 91GD, delete “, by notice.”.
- 151 Section 91GE amended (Right to consultation)**
- In section 91GE, replace “requested” with “applied for”.
- 152 Section 91GG amended (Notification of status ruling)**
- (1) In section 91GG(2)(a), replace “the *Gazette*” with “a publication chosen by the Commissioner”. 30
- (2) In section 91GG(3), replace “requested” with “applied for”.

- 153 Section 95 repealed (Assessment of withdrawal tax)**  
Repeal section 95.
- 154 Section 106 amended (Assessment where default made in furnishing returns)**
- (1) In section 106(1C), replace “inform” with “notify”. 5
- (2) In section 106(1C), replace “provides” with “provide”.
- 155 Section 108B amended (Extension of time bars)**
- (1) Replace section 108B(1)(a), with:
- (a) for not more than 12 months from the time at which the time bar would otherwise apply if— 10
- (i) the taxpayer and the Commissioner agree to the waiver; and
- (ii) their agreement is recorded in a document; and
- (2) In section 108B(1)(b), delete “written”.
- 156 Section 113C amended (Amended assessments for attributed repatriation dividends)** 15
- In section 113C(1)(c), delete “in writing”.
- 157 Section 120KE amended (Provisional tax and rules on use of money interest)**
- In section 120KE(6)(a)(i), replace “notify” with “inform”.
- 158 Section 124A amended (Application of Part 8)** 20
- In section 124A(2), before paragraph (a), replace “with the written agreement of a taxpayer” with “after being notified that the taxpayer agrees”.
- 159 Section 126 amended (Procedure for objections to assessments)**
- In section 126(1), before paragraph (a), delete “or posting”.
- 160 Section 130 amended (Objections to allowance determinations)** 25
- (1) In section 130(1), delete “or posting”.
- (2) In section 130(2), delete “or posting”.
- 161 Section 136 amended (When objection may be referred directly to High Court)**
- (1) In section 136(6), before paragraph (a), replace “inform” with “advise”. 30
- (2) In section 136(12), delete “written”.
- (3) In section 136(14), replace “agreed to in writing by or on behalf of the objector and the Commissioner” with “agreed to by or on behalf of the objector and the Commissioner, with the agreement recorded in a document”.



**162 Section 137 amended (Test case procedure)**

- (1) In section 137(1)(a), replace “requesting” with “seeking”.
- (2) Replace section 137(11) with:
  - (11) The Commissioner may serve a notice under subsections (3) and (7) by formally notifying either the objector or a solicitor who is authorised to accept service on their behalf at the contact address referred to in **section 14G(1)(c)** or by effective delivery to an address supplied by the objector.

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**163 Section 138B amended (When disputant entitled to challenge assessment)**

- (1) In section 138B(2)(a), delete “written”.
- (2) In section 138B(3)(a), delete “written”.
- (3) In section 138B(4)(a), delete “in writing”.

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**164 Section 138R amended (Stay of proceedings for similar cases)**

Replace section 138R(8) with:

- (8) The Commissioner may give notices required by this section by formally notifying either the disputant or a solicitor who is authorised to accept service on their behalf at the contact address referred to in **section 14G(1)(c)** or by effective delivery to an address supplied by the disputant.

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**165 Section 139BA amended (Imposition of late payment penalties when financial relief sought)**

- (1) In section 139BA(1), replace “contacts the Commissioner seeking” with “asks for”.
- (2) In section 139BA(2), replace “contacts the Commissioner seeking” with “asks for”.

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**166 Section 141JA amended (Application of Part 9 to non-filing taxpayers)**

In section 141JA(b), replace “informs” with “notifies”.

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**167 Section 141L amended (Duty of Commissioner to report on application of penalties)**

In section 141L(1), replace “report in writing to the Minister” with “notify the Minister by providing a report”.

**168 Section 150D amended (Evidence in proceedings for failure to furnish returns or information)**

In section 150D, delete “written”.

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- 169 Section 157 amended (Deduction of tax from payments due to defaulters)**
- (1) In section 157(4), replace “shall be so revoked at the request, by notice, of the taxpayer” with “must be revoked by the Commissioner on application for revocation by the taxpayer”.
- (2) Replace section 157(5) with: 5
- (5) The Commissioner must provide a copy of a notice given to a person under subsection (1) or (4) to the affected taxpayer, and the copy must be provided at the time the notice is given.
- (5B) Despite **subsection (5)**, for a notice relating to an amount of wages or salary described in subsection (3), the Commissioner may dispense with the requirement to send a copy of the notice to the affected taxpayer if, after making reasonable inquiries, the Commissioner has, or can find, no valid address for the affected taxpayer. 10
- (3) In section 157(10), definition of **amount payable**, repeal paragraph (e).
- 170 Section 159 amended (Procedure in District Court where defendant absent from New Zealand)** 15
- In section 159, replace “be effected by posting a duplicate or sealed copy of the notice of claim in a letter addressed to the defendant at the defendant’s present or last known place of abode or business, whether in New Zealand or elsewhere” with “be effected by delivery of a duplicate or sealed copy of the notice of claim to the defendant in a way described in **section 14F(2)**”. 20
- 171 Section 177 amended (Taxpayer may apply for financial relief)**
- (1) In the heading to section 177, replace “**apply for**” with “**request**”.
- (2) In section 177(1), before paragraph (a), replace “applies for” with “requests”.
- (3) In section 177(1)(b), delete “by telephone or in writing”. 25
- (4) In section 177(1B), replace “application” with “request”.
- (5) In section 177(2), replace “apply for” with “request”.
- 172 Section 177A amended (How to apply serious hardship provisions)**
- In section 177A(2), before paragraph (a), replace “application” with “request” in each place where it appears. 30
- 173 Section 183CA amended (Cancellation of interest charged on unpaid provisional tax)**
- Repeal section 183CA(2).
- 174 Section 183H amended (Remission on application)**
- (1) In section 183H(a), before paragraph (i), replace “make a written request” with “apply”. 35
- (2) In section 183H(a), before paragraph (i), delete “requested”.

- (3) In section 183H(b), replace “request” with “application”.
- 175 Section 184 amended (Refund of tax paid on income subsequently exempted by Order in Council)**  
In section 184, delete “written”.
- 176 Section 226B amended (Business group amnesties)** 5  
In section 226B(11), replace “report in writing to the Minister” with “notify the Minister by providing a report”.

### Part 3

#### Amendments to other enactments

##### *Amendments to Goods and Services Tax Act 1985* 10

- 177 Goods and Services Tax Act 1985 amended**  
**Sections 178 to 202** amend the Goods and Services Tax Act 1985.
- 177B Section 2 amended (Interpretation)**
- In section 2(1), insert in appropriate alphabetical order:
- apply**, for a mode of communication, has the meaning set out in **section 14C** of the Tax Administration Act 1994 15
- ask**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994
- inform**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994 20
- notice**, for an item of information, means the form or manner in which the item is notified or communicated, as described in **section 14C or 14D** of the Tax Administration Act 1994, as appropriate
- notify**—
- (a) means to give notice; and 25
- (b) for a mode of communication, has the meaning set out in **section 14C or 14D** of the Tax Administration Act 1994, as appropriate
- request**, for a mode of communication, has the meaning set out in **section 14B** of the Tax Administration Act 1994
- 178 Section 5 amended (Meaning of term supply)** 30
- (1) In section 5(2)(a), replace “furnished, to the second person, a statement in writing” with “notified the second person”.
- (2) In section 5(2)(b), replace “been unable to obtain the written statement referred to in” with “not been notified as described in”.

- 179 Section 8 amended (Imposition of goods and services tax on supply)**  
In section 8(2E), delete “in writing”.
- 180 Section 11 amended (Zero-rating of goods)**
- (1) Replace section 11(1)(m)(i) with:
- (i) the supplier and the recipient agree that the supply is the supply of a going concern, and their agreement is recorded in a document; and
- (2) In section 11(3B), replace “in writing” with “, and records the undertaking in a document,”.
- (3) In section 11(5), before paragraph (a), delete “in writing”.
- (4) In section 11(8), delete “written”.
- 181 Section 14 amended (Exempt supplies)**  
In section 14(2), before paragraph (a), replace “in writing” with “recording their agreement in a document”.
- 182 Section 19 amended (Accounting basis)**
- (1) In section 19(2), delete “in writing”.
- (2) In section 19(3), delete “in writing”.
- 183 Section 19A amended (Requirements for accounting on payments basis)**  
In section 19A(2)(b), replace “if the registered person so requests in writing” with “on application by the registered person”.
- 184 Section 25 amended (Credit and debit notes)**  
In section 25(4), replace “or has written or other notice” with “or has been notified,”.
- 185 Section 43 amended (Deduction of tax from payment due to defaulters)**
- (1) In section 43(2), before paragraph (a), delete “in writing”.
- (2) In section 43(4), replace “shall be so revoked at the request of the registered person” with “must be revoked by the Commissioner on application for revocation by the registered person”.
- (3) Replace section 43(5) with:
- (5) The Commissioner must provide a copy of a notice that is given in relation to any unpaid tax to a person under subsection (2) or (4) to the registered person, and the copy must be provided at the time the notice is given.
- (5B) Despite **subsection (5)**, for a notice relating to an amount of wages or salary described in subsection (3), the Commissioner may dispense with the requirement to send a copy of the notice to the registered person if, after making

	reasonable inquiries, the Commissioner has, or can find, no valid address for the registered person.	
(4)	In section 43(6), replace “a statement in writing” with “notification”.	
<b>186</b>	<b>Section 51 amended (Persons making supplies in course of taxable activity to be registered)</b>	5
	In section 51(5), delete “in writing”.	
<b>187</b>	<b>Section 51B amended (Persons treated as registered)</b>	
	Replace section 51B(1)(b)(ii) with:	
	(ii) the person whose goods are sold, if the person provides a notice under section 5(2)(a) to the person selling the goods and the Commissioner considers that the notice is incorrect:	10
<b>188</b>	<b>Section 52 amended (Cancellation of registration)</b>	
(1)	In section 52(2), delete “by notice in writing or by telephone”.	
(2)	In section 52(3), delete “by notice in writing or by telephone”.	
<b>189</b>	<b>Section 53 amended (Registered person to notify change of status)</b>	15
(1)	In section 53(1), before paragraph (a), delete “in writing”.	
(2)	In section 53(2), before paragraph (a), delete “in writing”.	
<b>190</b>	<b>Section 55 amended (Group of companies)</b>	
	In section 55(5), after paragraph (b), delete “in writing”.	
<b>191</b>	<b>Section 56 amended (Branches and divisions)</b>	20
(1)	In section 56(1), delete “in writing”.	
(2)	In section 56(3), delete “in writing”.	
<b>192</b>	<b>Section 57 amended (Unincorporated bodies)</b>	
	In section 57(3B), replace “receives written notice” with “is notified”.	
<b>193</b>	<b>Section 58 amended (Personal representative, liquidator, receiver, etc)</b>	25
	In section 58(3), replace “inform the Commissioner in writing” with “notify the Commissioner”.	
<b>194</b>	<b>Section 60 amended (Agents and auctioneers)</b>	
	In section 60(1B), before paragraph (a), replace “in writing” with “, and record their agreement in a document”.	30
<b>195</b>	<b>Section 60B amended (Nominated recipients of supplies)</b>	
	In section 60B(4), replace “agree in writing that” with “agree, recording their agreement in a document, that”.	

- 196 Section 75 amended (Keeping of records)**
- (1) In section 75(4)(a), delete “in writing”.
  - (2) In section 75(5), before paragraph (a), delete “in writing”.
  - (3) In section 75(6), before paragraph (a), delete “in writing”.
- 197 New section 75B inserted (General rules for giving information or communicating matters)** 5
- After section 75, insert:
- 75B General rules for giving information or communicating matters**
- (1) **Sections 14 to 14G** of the Tax Administration Act 1994 apply for the purposes of this Act, unless the context requires otherwise, when a person gives information to, or communicates with, another person by— 10
    - (a) asking or requesting:
    - (b) informing:
    - (c) applying:
    - (d) notifying: 15
    - (e) formally notifying.
  - (2) **Section 14E** of that Act describes the ways in which specific provisions may override the general rules.
  - (3) **Sections 14F and 14G** of that Act set out the options available for communicating by personal delivery, post, fax, or electronic means. 20
- 198 Section 78A amended (Returns to be furnished in 2 parts for taxable period in which change in rate of tax occurs)**
- In section 78A(5), before paragraph (a), delete “written”.
- 199 Section 78BA amended (Adjustments to tax payable in relation to credit and debit notes following change in rate of tax)** 25
- In section 78BA(2)(c)(ii), delete “written or other”.
- 200 Section 78E amended (Alteration of agreed price in relation to supply mistakenly believed to be of a going concern)**
- In section 78E(a), replace “have agreed in writing that” with “agreed, having recorded their agreement in a document, that”. 30
- 201 Section 78F amended (Liability in relation to supplies of land)**
- (1) In section 78F(2), before paragraph (a), replace “provide a statement in writing to” with “notify”.
  - (2) In section 78F(4), replace “statement” with “notice”.

- (3) In section 78F(6), before paragraph (a), replace “provides a statement in writing to” with “notifies”.

**202 Section 86 amended (Alternative method of accounting for transitional supplies)**

- In section 86(1), delete “in writing”. 5

*Amendments to KiwiSaver Act 2006*

**203 KiwiSaver Act 2006 amended**

**Sections 204 to 213** amend the KiwiSaver Act 2006.

**204 Section 4 amended (Interpretation)**

- (1) In section 4(1), in the definition of **salary or wages**, after paragraph (a)(v), insert: 10

(vi) the amount of a benefit that an employee receives under section CE 2(2) or (4) of the Income Tax Act 2007 under a share purchase agreement when the amount is treated as an amount of extra pay of the employee: 15

- (2) **Subsection (1)** applies for the 2017–18 and later income years.

**(2) Subsection (1) —**

- (a) applies for the 2017–18 and later income years:  
 (b) for an employer who has a share purchase agreement that applies for a class of their employees and who has treated a benefit under section CE 2(2) or (4) as a PAYE income payment in the period from 1 April 2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008. 20

**205 Section 10 replaced (Who automatic enrolment rules apply to)**

Replace section 10, with— 25

**10 Who automatic enrolment rules apply to**

The automatic rules apply to an employee who—

- (a) starts new employment with an employer that is not an exempt employer; and  
 (b) is not a secondee; and 30  
 (c) when they start the new employment, is aged—  
 (i) 18 years or more; and  
 (ii) less than the New Zealand superannuation qualification age.

**206 Section 18 amended (Extension of opt-out period)**

In section 18(1)(b)(v), replace “section 59A(b)” with “**section 59A(b)(i)**”. 35

**207 Section 59A amended (When this subpart applies)**

(1) Replace section 59A(b), with:

(b) ~~the automatic enrolment rules have been applied to a person to whom, as a matter of law, those rules do not apply because the person fails to meet the requirements of—~~

(i) **section 10(a), (b) and (c)(ii):**

(ii) **section 10(c)(i):**

5

(2) After section 59A(c), insert:

(d) ~~the rule allowing opt-in, in section 34, has been applied to a person to whom, as a matter of law, that rule does not apply because the person does not meet the requirement that the person be aged 18 years or more at the time the rule was applied to the person.~~

10

(3) Replace section 59A(a) to (c) with:

(a) ~~this Act has been applied to a person who does not meet the requirements of section 6:~~

15

(b) ~~the automatic enrolment rules have been applied to a person who, at the time, does not meet the requirements of—~~

(i) 1 or more of **section 10(a), (b), and (c)(ii):**

(ii) **section 10(c)(i):**

(c) ~~the rule in section 33 allowing opt-in has been applied to a person who, at the time, does not meet the requirements of section 33(a):~~

20

(d) ~~the rule in section 34 allowing opt-in has been applied to a person who, at the time, does not meet the requirements of **section 10(c)(i).**~~

**208 Section 59B amended (Initial back-dated validation)**

(1) In section 59B(2), replace “or the requirement of section 33(a)” with “the age requirement for the application of the opt-in rule in section 34, or the requirement of section 33(a)”.

25

(2) In section 59B(2)(b), replace “ending on the earlier of” with “for a person referred to in **section 59A(a), (b)(i), (c), and (d)**, ending on the earlier of”.

(3) In section 59B(2)(b)(iii), replace “for the person to the Commissioner” with “for the person to the Commissioner; and”.

30

(4) After section 59B(2)(iii), insert:

(c) for a person referred to in **section 59A(b)(ii)**, ending on the earlier of—

(i) the day the person reaches 19 years of age; and

35

(ii) the day the provider pays the amount of the member’s accumulation less the amount that was transferred from an Australian com-



plying superannuation scheme for the person to the Commissioner.

**209 Section 59C amended (Confirmed back-dated validation)**

- (1) In section 59C(1)(b), replace section “59A(b)” with “**59A(b)(i)**”.
- (2) Replace section 59C(2) with: 5
- (2) The person is treated as a person—
  - (a) in relation to whom no mistake described in **section 59A(a) and (b)(i)** was made; and
  - (b) who, at the time, met the requirements of section 6 or the requirements of the automatic enrolment rules described in **section 59A(b)(i)**. 10

**210 New section 59CB inserted (Confirmed back-dated validation for those under 18 years at time of enrolment or opt-in)**

After section 59C, insert:

- 59CB Confirmed back-dated validation for those under 18 years at time of enrolment or opt-in** 15
- (1) This section applies when—
    - (a) the automatic enrolment rules were applied to a person because of the mistake described in **section 59A(b)(ii)**;
    - (b) the opt-in rule in section 34 was applied to a person because of the mistake described in **section 59A(d)**. 20
  - (1B) This section does not apply to—
    - (a) a person aged 16 years or under if all guardians of the person have contracted directly with a provider in the person’s name:
    - (b) a person aged 16 years or over but less than 18 years if the person and a guardian of the person have contracted directly with a provider: 25
    - (c) a person aged 18 years who—
      - (i) has contracted directly with a provider:
      - (ii) has opted in under section 34:
      - (iii) has chosen an investment product in a default KiwiSaver scheme or transferred their funds under section 55 to another scheme. 30
  - (2) The person may,—
    - (a) if they are aged 15 years or under, opt out with consent from a guardian:
    - (b) if they are aged 16 years or over but less than 19 years, opt out.
  - (3) The person opts out under **subsection (2)** by notifying the Commissioner.
  - (4) If the person opts out under **subsection (2)**, the Commissioner must notify 35  
the provider and the person’s employer.

- (5) The person’s employer must stop making deductions from the person’s salary or wages, with effect on the next payment of salary or wages that the employer calculates after the date on which the employer receives the notice referred to in **subsection (4)**.
- (6) The employer may refund any deduction to the person, rather than pay it to the Commissioner. 5
- (7) If the person does not opt out under **subsection (2)** before the day on which they reach the age of 19 years, the person is treated as a person—
- (a) in relation to whom no mistake described in section **section 59A(b)(ii)** or **59A(d)** was made; and 10
- (b) who, at the time, met the requirements of the automatic enrolment rules or the age requirement for the application of the opt-in rule in section 34.
- (8) If the person does not opt out under **subsection (2)**, the relevant provider does not pay the member’s accumulation for the person to the Commissioner.
- 211 Section 59D amended (What happens when initial back-dated validation ends, with no confirmed back-dated validation?)** 15
- (1) In section 59D, replace the heading with “**No confirmed backdated validation**”.
- (2) Replace section 59D(1) with:
- (1) This section applies when— 20
- (a) in relation to a person described in section 59C(1)(a) or (b)(i), confirmed backdated validation under section 59C does not occur in the period of initial back-dated validation under section 59B:
- (b) in relation to a person described in **section 59CB(1)**, the person opts out under **section 59CB(2)**. 25
- 212 Section 217 amended (Giving of notices by and to Commissioner)**
- Replace section 217(1) and (2) with:
- Sections 14 to 14G** of the Tax Administration Act 1994 apply when this Act requires either the Commissioner to give a notice to a person, or a person to give a notice to the Commissioner. 30
- 213 Section 220B replaced (Information sharing)**
- Replace section 220B with:
- 220B Information sharing**
- (1) The Commissioner and a provider may, for the purposes of administering this Act or a scheme, communicate to each other by electronic means— 35
- (a) a person’s name, date of birth, and tax file number:

- (b) a person’s contact information including their address and phone number:
- (c) information relating to a person’s transfer from a KiwiSaver scheme or complying superannuation fund (an **old scheme**) to a new KiwiSaver scheme (a **new scheme**) including:
  - (i) the information mentioned in **paragraphs (a) and (b)**:
  - (ii) the effective date of the transfer:
  - (iii) details of the new scheme or old scheme such as the scheme’s registered name and number, address, and tax file number:
  - (iv) the date on which the person first became a member of a Kiwi-Saver scheme, if the old scheme is a KiwiSaver scheme:
  - (v) information about claims made under section 68C of the Tax Administration Act 1994 for the person.
- (2) Nothing in **subsection (1)** removes an obligation imposed on a provider under this Act to communicate information.

*Amendments to Child Support Act 1991*

**214 Child Support Act 1991 amended**

**Sections 215 to 217** amend the Child Support Act 1991.

**215 Section 9 amended (Social security beneficiaries must apply for formula assessment)**

- (1) In section 9(2), after “the child”, insert “unless **subsection (5B)** applies”.
- (2) Replace section 9(3) with:
- (3) A social security beneficiary who is required under subsection (2) to apply for a formula assessment of child support in relation to a parent of the child, must make the application—
  - (a) at the same time as an application for social security benefit is made:
  - (b) at a time other than when an application for social security benefit is made, when notified by the Commissioner that an application for a formula assessment is required in relation to the qualifying child.
- (3) After section 9(5), insert:
- (5B) A social security beneficiary is not required to apply for a formula assessment in relation to a parent of the child if the chief executive of the department for the time being responsible for the administration of the Social Security Act 1964 is satisfied that—
  - (a) there is insufficient evidence available to establish who in law that parent is:

- (b) if the beneficiary made an application for a formula assessment of child support or took steps to make an application for a formula assessment of child support in relation to that parent, there would be a risk of violence—
- (i) to the beneficiary: 5
- (ii) if the beneficiary is a sole parent, to any of the beneficiary’s children:
- (iii) if the beneficiary is in receipt of an unsupported child’s benefit, to the beneficiary’s partner, the beneficiary’s children, the qualifying child, a parent of the qualifying child, or a sibling of the qualifying child: 10
- (c) that parent died before the application for social security benefit was made:
- (d) the child was conceived as a result of incest or sexual violation:
- (e) the beneficiary cannot make an application for a formula assessment of child support in relation to that parent because of a compelling circumstance, other than a circumstance mentioned elsewhere in this subsection. 15
- (4) Replace section 9(6) with:
- (6) Unless **subsection (6B)** applies, a social security beneficiary who does not comply with their obligations under this section, and who is described in section 70A(1)(a) and (b) of the Social Security Act 1964, is liable to have their rate of benefit reduced under that section. 20
- (6B) A social security beneficiary who does not apply for a formula assessment of child support in relation to a parent of a qualifying child when required by this section, and who is described in section 70A(1)(a) and (b) of the Social Security Act 1964, is not liable to have their rate of benefit reduced under that section if the chief executive of the department for the time being responsible for the administration of that Act is satisfied that the beneficiary is taking active steps to identify who in law that parent is. 25 30
- (5) In section 9(7), after “beneficiary”, insert “who is described in section 70A(1)(a) and (b) of that Act”.
- (6) After section 9(7), insert:
- (8) In this section,—
- sole parent** has the same meaning as in section 3 of the Social Security Act 1964 35
- violence** has the same meaning as in section 3 of the Domestic Violence Act 1995.

**216 Section 122 amended (Social security beneficiary to be compellable witness against liable parent)**

Replace section 122(2) with:

- (2) A person who fails to comply with this section, and who is described in section 70A(1)(a) and (b) of the Social Security Act 1964, is liable to have their rate of benefit reduced under that section. 5

**217 Section 156 amended (Copy of deduction notice to be given to liable person)**

After section 156(2), insert:

- (3) Despite subsection (1), for a notice relating to an amount of wages or salary of the liable person, the Commissioner may dispense with the requirement to send a copy of the notice to the liable person if, after making reasonable inquiries, the Commissioner has, or can find, no valid address for the liable person. 10

*Amendments to Student Loan Scheme Act 2011*

**218 Student Loan Scheme Act 2011 amended** 15

**Sections 219 and 220** amend the Student Loan Scheme Act 2011.

**219 Section 50 amended (Procedures for issue of additional deduction rate notice)**

After section 50(2), insert:

- (2B) Despite subsection (1)(b), the Commissioner may dispense with the requirement to send the information described in subsection (1)(b)(i) to (iii) to the borrower if the Commissioner, after making reasonable inquiries, has, or can find, no valid address for the borrower. 20

**220 Section 214 amended (Notice requirements of Tax Administration Act 1994 do not apply)** 25

In section 214, replace “sections 14 and 14B” with “**sections 14 to 14G**”.

*Amendment to Gaming Duties Act 1971*

**221 Section 12L of Gaming Duties Act 1971 amended (Deduction of duty from payments due to defaulters)**

After section 12L(4) of the Gaming Duties Act 1971, insert: 30

- (4B) Despite subsection (2), for a notice relating to an amount of wages or salary described in subsection (4), the Commissioner may dispense with the requirement to send a copy of the notice to the defaulter if, after making reasonable inquiries, the Commissioner has, or can find, no valid address for the defaulter.

*Amendment to Accident Compensation Act 2001***221B Accident Compensation Act 2001 amended**

**Sections 222 and 223** amend the Accident Compensation Act 2001.

**222 Section 11 of Accident Compensation Act 2001 amended (Earnings as an employee: what it does not include)** 5

- (1) In ~~After section 11(1)(c) of the Accident Compensation Act 2001, replace “sections CD 11, CW 63” with “sections CD 11, CE 2, CW 63” insert:~~

(cb) any benefit arising from a share purchase agreement under section CE 2(2) or (4) of the Income Tax Act 2007 when the employer makes an election under **section RD 7B** of that Act to withhold and pay tax in relation to the benefit; or 10

- (2) **Subsection (1)** applies for the 2017–18 and later income years.

**(2) Subsection (1)—**

- (a) applies for the 2017–18 and later income years:
- (b) for an employer who has a share purchase agreement that applies for a class of their employees and who has treated a benefit under section CE 2(2) or (4) as a PAYE income payment in the period from 1 April 2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008. 15

**223 Section 15 amended (Earnings as a shareholder-employee)** 20

- (1) After section 15(6), insert:

(7) For the purposes of this section, **earnings as a shareholder-employee** do not include a benefit arising under section CE 2(2) or (4) of the Income Tax Act 2007 in relation to which an employer has made an election under **section RD 7B** to withhold an amount of tax. 25

**(2) Subsection (1)—**

- (a) applies for the 2017–18 and later income years:
- (b) for an employer who has a share purchase agreement that applies for a class of their employees and who has treated a benefit under section CE 2(2) or (4) as a PAYE income payment in the period from 1 April 2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008. 30

**Schedule**  
**Income Tax Act 2007: insertion of items in lists of defined terms**

**s 69B**

<b><u>Defined term</u></b>	<b><u>Section</u></b>
apply	<u>CZ 5</u> <u>EH 15</u> <u>EH 16</u> <u>EH 36</u> <u>EH 62</u> <u>EH 73</u> <u>EH 74</u> <u>EH 79</u> <u>EK 20</u> <u>EW 32</u> <u>EY 30</u> <u>EZ 68</u> <u>FM 28</u> <u>HA 11</u> <u>HA 34</u> <u>HA 35</u> <u>HA 37</u> <u>HM 18</u> <u>HM 48</u> <u>HR 8</u> <u>HZ 6</u> <u>HZ 7</u> <u>LD 1</u> <u>MD 11</u> <u>MF 2</u> <u>MF 3</u> <u>MF 5</u> <u>MF 6</u> <u>OP 6</u> <u>RA 12</u>

**Taxation (Transformation: First Phase Simplification  
and Other Measures) Bill**

Schedule

	<u>RC 26</u> <u>RC 38</u> <u>RD 23</u> <u>RD 24</u> <u>RE 10B</u> <u>RE 27</u> <u>RF 12C</u> <u>RM 8</u> <u>ZA 4</u>
<u>ask</u>	<u>HA 19</u> <u>LD 8</u> <u>MF 1</u> <u>MF 2</u> <u>MK 8</u> <u>RA 13</u> <u>RA 21</u> <u>RC 26</u> <u>RD 58</u> <u>RM 10</u> <u>RP 17</u>
<u>inform</u>	<u>RC 7</u> <u>RC 15</u>
<u>notice</u>	<u>EC 8</u> <u>EC 9</u> <u>EC 10</u> <u>EK 5</u> <u>EK 21</u> <u>EW 3</u> <u>EY 30</u> <u>FZ 7</u> <u>HA 33B</u> <u>HB 1</u> <u>HM 33</u> <u>HM 42B</u> <u>HM 60</u>



**Taxation (Transformation: First Phase Simplification  
and Other Measures) Bill**

Schedule

	<u>HZ 4B</u> <u>IC 9</u> <u>IQ 2B</u> <u>LK 5B</u> <u>LK 14</u> <u>OB 4</u> <u>OB 71</u> <u>OB 77</u> <u>OB 82</u> <u>OE 18</u> <u>RC 17</u> <u>RD 23</u> <u>RE 19</u> <u>RM 2</u> <u>RP 5</u>
<u>notify</u>	<u>CD 40</u> <u>CW 41</u> <u>FE 37</u> <u>GB 31</u> <u>HB 1</u> <u>HM 34</u> <u>HM 42</u> <u>HM 55B</u> <u>LP 2</u> <u>OB 7C</u> <u>OB 77</u> <u>OC 28</u> <u>RC 26</u> <u>RD 17</u> <u>RE 30</u>
<u>request</u>	<u>CD 18</u> <u>CX 34</u> <u>EX 21</u> <u>EX 46</u> <u>EX 72</u>

Schedule

**Taxation (Transformation: First Phase Simplification  
and Other Measures) Bill**

	<u>RE 6</u>
	<u>RM 10</u>
	<u>RP 18</u>
	<u>YB 21</u>

**Legislative history**

30 June 2015  
13 October 2015

Introduction (Bill 41–1)  
First reading and referral to Finance and Expenditure Committee