

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

Government Bill

As reported from the committee of the whole House

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

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

Hon Michael Woodhouse

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

Government Bill

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Schedule
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 59, 101, and 116(1)** come into force on 1 April 2016.
- (2B) Sections 8(1A), 8B, 69AB, and 173B come into force on 19 April 2016.
- (3) **Sections 7B, 7C, 35, 52, 53, 54, 109, 204, 222, and 223** come into force 10
on 1 April 2017.

Part 1
Amendments to Income Tax Act 2007

- 3 Income Tax Act 2007 amended** 15
This Part amends the Income Tax Act 2007.
- 4 Section BF 1 amended (Other obligations)**
Repeal section BF 1(e).
- 5 Section CB 8 amended (Disposal: land used for landfill, if notice of election)** 20
- (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”.
- 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* 5
- (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 10
- (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). 15
- 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”. 20
- (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)”. 25
- (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)** 30
- (1A) In section CZ 25(1)(a)(ii), replace “section 53(1), 54, or 55 of the Canterbury Earthquake Recovery Act 2011” with “section 91, 103, or 104 of the Greater Christchurch Regeneration Act 2016”.
- (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”. 35
- (3) In section CZ 25, in the list of defined terms, insert “notify”.

- 8B Section CZ 26 amended (Land and buildings affected by Canterbury earthquakes—sections CB 9 to CB 11 and CB 14 overridden for Crown purchases)**
- In section CZ 26, replace “section 53(1), 54, or 55 of the Canterbury Earthquake Recovery Act 2011” with “section 91, 103, or 104 of the Greater Christchurch Regeneration Act 2016”. 5
- 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)** 10
- 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”.
- 12 Section EC 48 amended (Replacement breeding stock)** 15
- (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)**
- (1) In section EG 1(4)(a), replace “agrees in writing” with “notifies the person that the election can apply”. 20
- (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:
- (a) the person seeks the Commissioner’s agreement to revoke the election, and the Commissioner notifies them that they may revoke the election; or 25
- (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)** 30
- (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”.

- (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) 5**
- (1) Repeal section EH 44(2)(a).
- (2) In section EH 44, in the list of defined terms, insert “apply”.
- 18 Section EH 45 amended (Refund on request) 10**
- (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”.
- (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) 15**
- (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) 20**
- (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”.
- 23 Section EI 1 amended (Spreading backward of income from timber) 25**
- (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) 30**
- (1) In section EI 3(5)(a), delete “in writing”.
- (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:
- (2) In section EI 8, in the list of defined terms, insert “apply”.
- 26 Section EK 11 amended (Application for refund) 5**
- (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)**
- (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*”. 10
- (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) 15**
- (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*”. 20
- (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) 25**
- (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 30
- (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”.
- (2) In section EW 26(2), replace “written authorisation” with “notification”. 5
- (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:
- (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— 10
- (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”. 15
- 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)”. 20
- (3) **Subsections (1) and (2)** apply for the 2017–18 and later income years.
- 36 Section EY 11 amended (Superannuation schemes providing life insurance)** 25
- (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”. 30
- (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”. 35

- (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)** 5
- (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)** 10
- 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”.
- 41 Section EZ 52B amended (Consistency of use of IFRS method: Determination G3 change allowed)** 15
- (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”.
- 42 Section FE 18 (Measurement of debts and assets of worldwide group)**
- (1) In section FE 18(4), replace “ask” with “apply to”. 20
- (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)**
- (1) In section FM 4(2), replace “ask” with “apply to”.
- (2) In section FM 4(3), replace “a request” with “an application”. 25
- (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”.
- (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”. 30
- 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)**
- (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** 5
- Repeal the heading above section LZ 9 and sections LZ 9 to LZ 12.
- 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)** 10
- (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)**
- (1) In section RC 18(2), delete “, and may do this either in writing or by telephone” 15
 - (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.”
 - (3) In section RC 18, in the list of defined terms, insert “inform” 20
- 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”.
- 52 Section RD 6 amended (Certain benefits and payments)** 25
- (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) in relation to which the employer has made an election under **section RD 7B**.
 - (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” 30
 - (3) After section RD 6(3)(a), insert:

- (ab) for a benefit referred to in **subsection (1)(d)**, the pay period in which the employee is treated as 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”, and “share purchase agreement”. 5
- (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) in relation to which the employer has made an election under **section RD 7B** to withhold an amount of tax; and 10
- (1B) In section RD 7, in the list of defined terms, insert “amount of tax”.
- (3) **Subsection (1)**—
- (a) applies for the 2017–18 and later income years: 15
- (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
- 54 New section RD 7B inserted (Treatment of certain benefits under employee share agreements)**
- (1) After section RD 7, insert:
- RD 7B Treatment of certain benefits under employee share agreements**
- When this section applies* 25
- (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
- (b) the employee who is a member of the class 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. 30
- What this section does not apply to*
- (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). 35

Withholding amounts of tax

- (2) The employer may choose, in relation to the share purchase agreement, to withhold and pay an amount of tax for the 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 5
 - (b) including the amount of the benefit in their employer monthly schedule under section RD 22(1); and
 - (c) making the disclosure referred to in **paragraph (b)** within the time required under **section RD 6(3)(ab)**. 10

Defined in this Act: amount, amount of tax, associated person, Commissioner, employee, employer, employer monthly schedule, employment income, extra pay, pay, share purchase agreement, share purchase scheme, tax

- (2) **Subsection (1)**—
- (a) applies for the 2017–18 and later income years: 15
 - (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

55 Section RD 30 amended (Private use of motor vehicle: 24-hour period)

- (1) In section RD 30(6), before paragraph (a), replace “ask” with “apply to”.
- (2) In section RD 30, in the list of defined terms, insert “apply”.

56 Section RD 60 amended (Close company option)

- (1) In section RD 60(2), before paragraph (a), delete “in writing or by telephone”. 25
- (2) In section RD 60, in the list of defined terms, insert “ask” and “inform”.

57 Section RD 61 amended (Small business option)

- (1) In section RD 61(2), before paragraph (a), delete “in writing or by telephone”.
- (2) In section RD 61, in the list of defined terms, insert “ask” and “inform”.

58 Section RD 68 amended (Choosing to have amount treated as salary or wages) 30

- (1) In section RD 68(2), replace “revoked in writing” with “they notify their employer of its revocation”.
- (2) In section RD 68, in the list of defined terms, insert “notify”.

59 Section RM 5 amended (Overpayment on income statements) 35

- (1) In section RM 5(1), replace “\$200” with “\$600”.

- (2) **Subsection (1)** applies for income statements issued on or after 1 April 2016.
- 60 Section RM 12 amended (Reduction in provisional tax liability)**
- (1) In section RM 12(2), before paragraph (a), delete “in writing”.
- (2) In section RM 12(3), before paragraph (a), delete “in writing”.
- (3) In section RM 12, in the list of defined terms, insert “apply”, “ask”, and “request”. 5
- 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”. 10
- (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”. 15
- (3) In section RP 17B(10), before paragraph (a), replace “agree in writing” with “notify the person”.
- (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)** 20
- (1) In section RP 19(1), replace “ask” with “apply to”.
- (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”. 25
- 64 Section RP 19B amended (Transfers for certain expected tax liabilities)**
- (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”. 30
- (2) In section RP 20(2), replace “request” with “application” in each place where it appears.
- (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”.
- (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”. 5
- (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. 10
- (2) In the definition of **ancillary tax**, repeal paragraph (n).
- (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 15
- (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**. 20
- (6B) Insert, in appropriate alphabetical order:
- 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: 25
- notify**—
- (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: 30
- 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**. 35

(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

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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—

- (a) asking or requesting:
- (b) informing:
- (c) applying:
- (d) notifying:
- (e) formally notifying.

10

Overriding provisions

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(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.

20

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

69AB New section YZ 4 (Saving of effect of certain terms defined in Canterbury Earthquake Recovery Act 2011)

After section YZ 3, insert:

YZ 4 Saving of effect of certain terms defined in Canterbury Earthquake Recovery Act 2011

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For the purposes of sections CZ 23 to CZ 25, CZ 29, DZ 20, EZ 23B, EZ 23BB, EZ 70 to EZ 74, FZ 7, and GZ 3 (which relate to the Canterbury earthquakes), the terms **Canterbury earthquake**, **greater Christchurch**, **rebuilding**, and **recovery** have the meanings set out in the Canterbury Earthquake Recovery Act 2011, which continues to apply for this purpose in the same manner as it applied immediately before the repeal of that Act by the Greater Christchurch Regeneration Act 2016.

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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.

Part 2

5

Amendments to Tax Administration Act 1994

70 Tax Administration Act 1994 amended

This Part amends the Tax Administration Act 1994.

71 Section 3 amended (Interpretation)

(1) This section amends section 3(1). 10

(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 15

(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**

(2) Repeal the definition of **authorised savings institution**.

(3) In the definition of **Commissioner’s official opinion**, paragraph (a), — 20

- (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”.

(3B) Insert, in appropriate alphabetical order:

inform, for a mode of communication, has the meaning set out in **section 14B** 25

(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 30

(4B) Insert, in appropriate alphabetical order:

notify—

- (a) means to give notice; and
- (b) for a mode of communication, has the meaning set out in **section 14C or 14D**, as appropriate 35

- request**, for a mode of communication, has the meaning set out in **section 14B**
- (5) Replace the definition of **responsible department** with:
- 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:
- (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
- (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**
- (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”.
- 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.
- (2) The Commissioner must publish guidelines that set out the criteria and technical requirements for—

| | |
|--|---|
| <p>(a) the use of a valid electronic signature on documents provided to the Commissioner:</p> <p>(b) the nature of, and circumstances in which, the Commissioner accepts information under an electronic signature.</p> <p>(3) When the Commissioner receives a document bearing the electronic signature of a person, unless there are reasonable grounds to suppose otherwise,—</p> <p style="padding-left: 20px;">(a) the document is treated as signed by the person; and</p> <p style="padding-left: 20px;">(b) the person is treated as complying with both the guidelines referred to in subsection (2) and section 24 of the Electronic Transactions Act.</p> | <p>5</p> <p>5</p> |
| <p>74 Sections 14, 14B, and 14C replaced</p> <p>Replace sections 14, 14B, and 14C with:</p> | <p>10</p> |
| <p>14 Modes of communication: general provisions</p> <p>(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—</p> <p style="padding-left: 20px;">(a) asking or requesting:</p> <p style="padding-left: 20px;">(b) informing:</p> <p style="padding-left: 20px;">(c) applying:</p> <p style="padding-left: 20px;">(d) notifying:</p> <p style="padding-left: 20px;">(e) formally notifying.</p> <p>(2) Sections 14F and 14G set out the requirements for giving information or communicating by personal delivery, post, fax, or electronic means.</p> <p>(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.</p> <p>(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.</p> | <p>15</p> <p>20</p> <p>25</p> <p>30</p> |
| <p>14B Asking, requesting, or informing</p> <p>(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—</p> <p style="padding-left: 20px;">(a) asking person B for something:</p> <p style="padding-left: 20px;">(b) requesting something from person B:</p> <p style="padding-left: 20px;">(c) informing person B about something.</p> | <p>35</p> |

- (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, for an item of information delivered in a way referred to in **section 14F**; or 5
 - (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
 - (e) in another manner permitted by the Commissioner. 10
- (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.
- 14C Applying or notifying** 15
- (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.
- (2) Person A may communicate— 20
- (a) by electronic means, if person A complies with the provisions of the Electronic Transactions Act 2002, 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 25
 - (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. 30
- (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. 35

- (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.

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—
 - (a) specifying the way in which a person gives information or communicates a matter: 5
 - (b) prescribing the manner, form, or format for giving information or communicating a matter: 10
 - (c) providing for the Commissioner to prescribe the manner, form, or format for giving information or communicating a matter.
- (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. 15

14F Giving information by personal delivery, post, fax, or electronic means

- (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. 20
- (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 25
 - (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**. 30
- (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 35
 - (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 5
- (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— 10
- (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. 15
- (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** 20
- 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,—
- (i) an email or other electronic address that they have provided: 25
- (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:
- (b) for delivery by electronic means to a person who is a corporate body,— 30
- (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: 35
- (iii) an email or other electronic address of the corporate body that is otherwise available, if there are reasonable grounds to suppose

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| | that a person acting for or on behalf of the corporate body in relation to the relevant matter will receive the communication: | |
| (c) | for delivery by post,— | |
| | (i) the street address of their usual or last known place of residence; or | 5 |
| | (ii) the street address of any of their usual or last known places of business; or | |
| | (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. | 10 |
| | | |
| 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) | 15 |
| (1) | In section 17(1), replace “in writing any information” with “any information in a manner acceptable to the Commissioner”. | |
| (2) | In section 17(1D), delete “in writing”. | |
| (3) | In section 17(5), delete “written”. | |
| | | |
| 77 | Section 17A amended (Court orders for production of information or return) | 20 |
| (1) | In section 17A(2), delete “written”. | |
| (2) | In section 17A(14), replace “written form” with “a document”. | |
| | | |
| 78 | Section 20 amended (Privilege for confidential communications between legal practitioners and their clients) | 25 |
| | In section 20(1)(a), delete “, whether oral or written,”. | |
| | | |
| 79 | Section 20C amended (Treatment of document) | |
| (1) | In section 20C(2)(b)(ii), replace “informs” with “notifies”. | |
| (2) | Replace section 20C(3)(b) with: | |
| | (b) the person notifies the Commissioner that the document is not eligible to be a tax advice document for the person: | 30 |
| (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: | |

- 80 Section 20D amended (Claim that document is tax advice document)**
In section 20D(5), replace “written confirmation from” with “notification by”.
- 81 Section 21 amended (Information requisitions in relation to offshore payments)**
In section 21(4), before paragraph (a), replace “informs” with “notifies”. 5
- 82 Section 22 amended (Keeping of business and other records)**
In section 22(8), before paragraph (a), delete “in writing”.
- 83 Section 24B amended (PAYE tax codes)**
- (1) Repeal section 24B(3)(h).
- (2) After section 24B(3), insert: 10
- (3B) An employee has a **no notification** tax code if—
- (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— 15
- (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**”. 20
- (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; 25
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”. 30
- (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— 35

- (a) notify the responsible department under **section 24IB**, if the employee asks under **subsection (1A)(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 (1A)(b)** for the special tax code to apply to their other employment income from 1 or more employers. 5
- (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”. 10
- (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— 15
- (a) the employee’s duties under sections RA 8, RA 10, and RD 4(2) of the Income Tax Act 2007; and
- (b) **subsection (6)** and sections 24G and 24H.
- (9) In section 24F(5), replace “a tax code for a special tax code certificate” with “a special tax code”. 20
- (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—
- (a) the employee, if the employee has been given a special tax code certificate under **subsection (1B)(b)**; or 25
- (b) the employee and the responsible department, if a special tax code notification has been made under **section 24IB**.
- (7) If the circumstances in **subsection (6)(a)** apply, the employee must—
- (a) return the special tax code certificate to the Commissioner within 7 days; and 30
- (b) notify their employer under section 24H that their entitlement to use the special tax code has ended.
- 85 Section 24H amended (When entitlement to use tax code ends)**
- In section 24H(3), replace “The employee” with “If the circumstances in **section 24F(6)(b)** do not apply, the employee”. 35

86 Section 24I amended (PAYE tax code notification and certificate)

In section 24I(1), replace “An employee” with “If **section 24IB** does not apply, an employee”.

87 New section 24IB inserted (Special tax code notification)

After section 24I, insert:

5

24IB Special tax code notification

- (1) This section applies when—
 - (a) an employee asks under **section 24F(1AB)(a)** for a special tax code to apply to their New Zealand Superannuation income or veteran’s pension income; and 10
 - (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 an officer, employee, or agent of the responsible department whom the chief executive of the department authorises to receive the information. 15
- (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. 20
- (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)

- (1) In section 25(3), replace “request, by notice, the payer” with “notify the payer that they are required”. 25
- (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”. 30
- (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—
 - (a) the recipient; or 35
 - (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)**
- (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”. 5
- (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”. 10
- 91 Section 28 amended (Recipient of resident passive income to provide tax file number when RWT not withheld)**
- (1) In section 28, above paragraph (a), delete “from”. 15
- (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)** 20
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— 25
- (a) the shareholder; or
- (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: 30
- (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—
- (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)**
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. 5
- 96 Section 32A amended (Records to be provided by employer who contributes to superannuation fund)**
- (1) In section 32A(1), replace “Upon the request” with “On application”.
(2) Repeal section 32A(2). 10
(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.
- 97 Section 32D amended (Disclosure requirements for purpose of continuity provisions and public unit trusts)** 15
- (1) Replace section 32D(1) with:
(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. 20
(2) Repeal section 32D(2).
(3) In section 32D(3), replace “a request” with “an application”.
(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”. 25
- 99 Section 32I amended (Providing RWT exemption certificate to person who does not meet requirements)**
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”. 30
- 101 Section 33AA amended (Exceptions to requirement for return of income)**
- (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)**
- (1) In section 34B(6), replace “informing” with “advising”.
- (2) In section 34B(10), replace “informs” with “advises”. 5
- 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)**
- (1) In section 40(1),— 10
- (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)**,— 15
- (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 **section 13B** are met.
- (3) In section 40(3), replace “return” with “tax return”.
- 106 Section 41B amended (Return by person applying for tax credit on redundancy payment)** 20
- (1) In section 41B(2)(b), delete “written”.
- (2) In section 41B(4), replace “, by notice, inform” with “notify”.
- 107 Section 43A amended (Non-active companies may be excused from filing returns)** 25
- (1) In section 43A(1)(b)(i), replace “inform” with “notify”.
- (2) In section 43A(6)(a), replace “inform” with “notify”.
- 108 Section 44D amended (Natural product dealer certificate)**
In section 44D(1), replace “in writing” with “for the certificate”.
- 109 Section 46 amended (Employers to make returns as to employees)** 30
- (1) After section 46(6), insert:
- (6B) For the purposes of subsection (1), other emoluments—
- (a) 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

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| | made an election under section RD 7B of that Act to withhold an amount of income tax: | |
| | (b) does not include— | |
| | (i) a benefit under a share purchase agreement received by a former employee: | 5 |
| | (ii) 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. | |
| (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) | 10 |
| | 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) | 15 |
| | Repeal section 56. | |
| 112 | Section 58 amended (Returns of specified charitable, benevolent, philanthropic, or cultural bodies) | |
| | In section 58, replace “shall furnish, on request, by notice, of the Commissioner,” with “must, when notified by the Commissioner, furnish”. | 20 |
| 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”. | |
| 114 | Section 80F amended (Taxpayer obligations and assessment on receipt of income statement) | 25 |
| (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”. | |
| 115 | Section 80G amended (Income statement deemed return) | |
| | In section 80G(1)(b), replace “inform” with “notify”. | 30 |
| 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”. | |
| (3) | Subsection (1) applies for income statements issued on or after 1 April 2016. | 35 |

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—

- (a) makes the communication to a person (the **recipient**) who is an Inland Revenue officer or a person to whom section 87 applies; and 5
- (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
- (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. 10

(2) After section 81(4)(eb), insert:

- (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— 15
 - (i) the person is authorised by the Ministry, WorkSafe New Zealand, or agency, as applicable, to receive under workplace legislation; and
 - (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: 20

(3) Replace section 81(4)(j) with:

- (j) communicating to a person information requested by the person if— 25
 - (i) the information is statistical or other general information that is in the public interest to communicate; and
 - (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): 30

(4) In section 81(4)(l), before paragraph (i), replace “writing or in such other” with “a”.

(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,— 35
 - (i) to a person, or an employee or agent of a person, who maintains the accepted software package for the software client; and

- (ii) as a consequence of communicating the information to the software client using the accepted software package:
- (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
- (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
- (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:
- (6) After section 81(8)(b), insert:
- (c) **workplace legislation** means—
- (i) Electricity Act 1992:
- (ii) Employment Relations Act 2000:
- (iii) Equal Pay Act 1972:
- (iv) Gas Act 1992:
- (v) Hazardous Substances and New Organisms Act 1996:
- (vi) Health and Safety in Employment Act 1992:
- (vib) Health and Safety at Work Act 2015:
- (vii) Holidays Act 2003:
- (viii) Machinery Act 1950:
- (ix) Minimum Wage Act 1983:
- (x) Parental Leave and Employment Protection Act 1987:
- (xi) Volunteers Employment Protection Act 1973:
- (xii) Wages Protection Act 1983:
- (xiii) WorkSafe New Zealand Act 2013:
- (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:

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| | (xv) any regulations made under the Acts listed in subparagraphs (i) to (xiv) . | |
| 118 | Section 82A amended (Disclosure of information to prevent cessation of benefit payments) | |
| | In section 82A(3), delete “, orally or in writing,”. | 5 |
| 119 | Section 83 amended (Disclosure of information for purposes of entitlement card) | |
| | In section 83(2), before paragraph (a), replace “request, by notice, from” with “application by”. | |
| 120 | Section 85C amended (Use and supply of information supplied for purposes of section 85B) | 10 |
| | In section 85C(b), replace “written” with “notified”. | |
| 121 | Section 85E amended (Disclosure of information for assessment of levies) | |
| | In section 85E(2), before paragraph (a), replace “request, by notice, from” with “application by”. | 15 |
| 122 | Section 87 amended (Further secrecy requirements) | |
| | After section 87(5)(a), insert: | |
| | (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 | 20 |
| 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 ”. | 25 |
| (2) | In section 89, replace “inform” with “notify”. | |
| 124 | Section 89F amended (Content of notice of proposed adjustment) | |
| (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) | 30 |
| (1) | In section 89H(3)(a), replace “reject in writing” with “notify the Commissioner that they reject”. | |
| (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,— | 35 |

- 126 Section 89I amended (Circumstances where disputant may not challenge adjustment)**
Replace section 89I(1)(a) with:
(a) notifies the Commissioner that they accept the adjustment; or
- 127 Section 89M amended (Disclosure notices)** 5
(1) In section 89M(4), before paragraph (a), replace “inform” with “advise”.
(2) In section 89M(6), before paragraph (a), replace “inform” with “advise”.
- 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”. 10
(2) In section 89N(1)(c)(ix), replace “agree in writing to” with “agree, recording their agreement in a document, to”.
- 129 Section 89O amended (Test cases)**
In section 89O(2), replace “agree in writing to” with “agree, recording their agreement in a document, to”. 15
- 130 Section 90AC amended (Determinations relating to financial arrangements)**
(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. 20
- 131 Section 90AE amended (Four-year period in which determination not required to be applied)**
In section 90AE, replace “90AC(6)” with “90AC(6)(a) or (b)”. 25
- 132 Section 91AAG amended (Determination on special rates and provisional rates)**
In section 91AAG(1), before paragraph (a), delete “, in writing,”.
- 133 Section 91AAL amended (Determination on maximum pooling value)**
In section 91AAL(1), delete “, in writing,”. 30
- 134 Section 91AAN amended (Determinations on rates for diminishing value of environmental expenditure)**
(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”.
- 135 Section 91AAQ amended (Determination on insurer as non-attributing active CFC)**
In section 91AAQ(1), before paragraph (a), delete “in writing”.
- 136 Section 91DD amended (Extension of a public ruling)** 5
In section 91DD(1), replace “the *Gazette*” with “a publication chosen by the Commissioner”.
- 137 Section 91E amended (Commissioner to make private rulings on request)**
- (1) In the heading to section 91E, replace “request” with “application”.
- (2) Replace section 91E(4)(ga) with: 10
- (ga) a notice of proposed adjustment has been issued, and the proposed ruling would apply to the same—

 - (i) person; and
 - (ii) arrangement; and
 - (iii) tax type or separately identifiable issue; or
- 15
- 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
- 20
- 139 Section 91EC amended (Applying for a private ruling)**
In section 91EC(4), delete “in writing”.
- 140 Section 91EE amended (Commissioner may request further information)**
In section 91EE, delete “, by notice,”.
- 141 Section 91EG amended (Right to consultation)** 25
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
- 30
- 143 Section 91EI amended (Withdrawal of a private ruling)**
In section 91EI(1), delete “in writing”.

- 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 5
- 146 Section 91FE amended (Commissioner may request further information)**
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 amended (Commissioner may request further information)** 20
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”. 25
(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)** 30
(1) In section 106(1C), replace “inform” with “notify”.
(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—
- (i) the taxpayer and the Commissioner agree to the waiver; and 5
- (ii) their agreement is recorded in a document; and
- (2) In section 108B(1)(b), delete “written”.
- 157 Section 120KE amended (Provisional tax and rules on use of money interest)**
- In section 120KE(6)(a)(i), replace “notify” with “inform”. 10
- 158 Section 124A amended (Application of Part 8)**
- 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”. 15
- 160 Section 130 amended (Objections to allowance determinations)**
- (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)** 20
- (1) In section 136(6), before paragraph (a), replace “inform” with “advise”.
- (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”. 25
- 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(c)** or by effective delivery to an address supplied by the objector. 30
- 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”.
- 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(c)** or by effective delivery to an address supplied by the disputant. 5
- 165 Section 139BA amended (Imposition of late payment penalties when financial relief sought)** 10
- (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”.
- 166 Section 141JA amended (Application of Part 9 to non-filing taxpayers)** 15
- In section 141JA(b), replace “informs” with “notifies”.
- 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”. 20
- 168 Section 150D amended (Evidence in proceedings for failure to furnish returns or information)**
- In section 150D, delete “written”.
- 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”. 25
- (2) Replace section 157(5) with:
- (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. 30
- (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. 35

- (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)**
- 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)**”. 5
- 171 Section 177 amended (Taxpayer may apply for financial relief)**
- (1) In the heading to section 177, replace “**apply for**” with “**request**”. 10
- (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”.
- (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)** 15
- In section 177A(2), before paragraph (a), replace “application” with “request” in each place where it appears.
- 173 Section 183CA amended (Cancellation of interest charged on unpaid provisional tax)**
- Repeal section 183CA(2). 20
- 173B Section 183CB amended (Cancellation of interest charged on payments under PAYE rules or provisional tax rules arising from work in Canterbury earthquake recovery programme)**
- After section 183CB(3), insert:
- (4) For the purposes of subsection (1), the term **Canterbury earthquake** has the meaning set out in the Canterbury Earthquake Recovery Act 2011, which continues to apply for this purpose in the same manner as it applied immediately before the repeal of that Act by the Greater Christchurch Regeneration Act 2016. 25
- 174 Section 183H amended (Remission on application)** 30
- (1) In section 183H(a), before paragraph (i), replace “make a written request” with “apply”.
- (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)**
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

- 177 Goods and Services Tax Act 1985 amended** 10
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
- 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 20
- notify**—
- (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 25
- 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)**
- (1) In section 5(2)(a), replace “furnished, to the second person, a statement in writing” with “notified the second person”. 30
- (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

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| | 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”. | |
| 186 | Section 51 amended (Persons making supplies in course of taxable activity to be registered) | 5 |
| | In section 51(5), delete “in writing”. | |
| 187 | Section 51B amended (Persons treated as registered) | |
| | 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 |
| 188 | Section 52 amended (Cancellation of registration) | |
| (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”. | |
| 189 | Section 53 amended (Registered person to notify change of status) | 15 |
| (1) | In section 53(1), before paragraph (a), delete “in writing”. | |
| (2) | In section 53(2), before paragraph (a), delete “in writing”. | |
| 190 | Section 55 amended (Group of companies) | |
| | In section 55(5), after paragraph (b), delete “in writing”. | |
| 191 | Section 56 amended (Branches and divisions) | 20 |
| (1) | In section 56(1), delete “in writing”. | |
| (2) | In section 56(3), delete “in writing”. | |
| 192 | Section 57 amended (Unincorporated bodies) | |
| | In section 57(3B), replace “receives written notice” with “is notified”. | |
| 193 | Section 58 amended (Personal representative, liquidator, receiver, etc) | 25 |
| | In section 58(3), replace “inform the Commissioner in writing” with “notify the Commissioner”. | |
| 194 | Section 60 amended (Agents and auctioneers) | |
| | In section 60(1B), before paragraph (a), replace “in writing” with “, and record their agreement in a document”. | 30 |
| 195 | Section 60B amended (Nominated recipients of supplies) | |
| | In section 60B(4), replace “agree in writing that” with “agree, recording their agreement in a document, that”. | |

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| 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)**—

- (a) applies for the 2017–18 and later income years: 20
- (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.

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

Replace section 10, with—

10 Who automatic enrolment rules apply to 25

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
- (c) when they start the new employment, is aged— 30
- (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)**”.

207 Section 59A amended (When this subpart applies)

(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:
- (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):
- (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)”.
- (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”.
- (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
 - (ii) the day the provider pays the amount of the member’s accumulation less the amount that was transferred from an Australian complying 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:
 - (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)**.

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 | 5 |
| (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) . | 10 |
| (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: | 15 |
| (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. | 20 |
| (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 the provider and the person's employer. | 25 |
| (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) . | 30 |
| (6) The employer may refund any deduction to the person, rather than pay it to the Commissioner. | |
| (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 59A(b)(ii) or 59A(d) was made; and | 35 |
| (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?)

(1) In section 59D, replace the heading with “**No confirmed backdated validation**”. 5

(2) Replace section 59D(1) with:

- (1) This section applies when—
- (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: 10
 - (b) in relation to a person described in **section 59CB(1)**, the person opts out under **section 59CB(2)**.

212 Section 217 amended (Giving of notices by and to Commissioner)

Replace section 217(1) and (2) with: 15

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.

213 Section 220B replaced (Information sharing)

Replace section 220B with: 20

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—
- (a) a person’s name, date of birth, and tax file number:
 - (b) a person’s contact information including their address and phone number: 25
 - (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)**: 30
 - (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: 35
 - (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. 5
- 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— 10
- (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. 15
- (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— 20
- (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— 25
- (i) to the beneficiary:
- (ii) if the beneficiary is a sole parent, to any of the beneficiary’s children: 30
- (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:
- (c) that parent died before the application for social security benefit was made: 35
- (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.
- (4) Replace section 9(6) with: 5
- (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.
- (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. 10 15
- (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,— 20
- sole parent** has the same meaning as in section 3 of the Social Security Act 1964
- 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)** 25
- 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. 30
- 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. 35

*Amendments to Student Loan Scheme Act 2011***218 Student Loan Scheme Act 2011 amended**

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

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

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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.

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

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)**

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

- (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.

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*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 amended (Earnings as an employee: what it does not include)

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- (1) After section 11(1)(c) 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

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- (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

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2008 to 31 March 2017, is treated as if it applied for the employer from 1 April 2008.

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

- (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. 5
- (2) **Subsection (1)**—
 - (a) applies for the 2017–18 and later income years: 10
 - (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

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

s 69B

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

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

Schedule

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

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

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

Schedule

| | |
|--|-------|
| | RE 6 |
| | RM 10 |
| | RP 18 |
| | YB 21 |

Legislative history

30 June 2015
13 October 2015
21 March 2016
12 April 2016
24 May 2016

Introduction (Bill 41–1)
First reading and referral to Finance and Expenditure Committee
Reported from Finance and Expenditure Committee (Bill 41–2)
Second reading
Committee of the whole House (Bill 41–3)