



Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Act 2021

Public Act 2021 No 52
Date of assent 25 November 2021
Commencement see section 2

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Act 2021.

2 Commencement

- (1) This Act comes into force on the day on which it receives the Royal assent, except as provided in this section.
- (2) Sections 10, 11, 12, and 14 come into force on 1 April 2022.

Part 1

Amendments to Tax Administration Act 1994

3 Amendments to Tax Administration Act 1994

This Part amends the Tax Administration Act 1994.

4 Section 3 amended (Interpretation)

- (1) This section amends section 3(1).
- (2) Insert, in appropriate alphabetical order:

COVID-19 support payments scheme means a scheme that is—

- (a) established and administered by the Crown to provide support to persons financially affected by a public health measure, business circumstance, or matter that is related to COVID-19, or by a group of such measures, circumstances, or matters; and
- (b) activated by an Order in Council made under section 7AAC

- (3) Insert, in appropriate alphabetical order:

CSP terms is defined in section 7AAB(9)

- (4) In the definition of **disputable decision**, paragraph (b)(vii), after “scheme”, insert “, or another COVID-19 support payments scheme,”.
- (5) In the definition of **tax**, paragraph (cd), after “scheme”, insert “or another COVID-19 support payments scheme”.

5 Sections 7AAB and 7AAC replaced

- (1) Replace sections 7AAB and 7AAC with:

7AAB Authorisation to make COVID-19 support payments

- (1) The purpose of this section is to authorise the making of payments under a COVID-19 support payments scheme (the **CSP scheme**) as grants to eligible

- persons in New Zealand who are financially affected by a public health measure, business circumstance, or matter that is related to COVID-19 (a **COVID-19 circumstance**), or by a group of COVID-19 circumstances.
- (2) The Commissioner, on behalf of the Crown, may make a grant under the CSP scheme (a **grant**) to a person if—
 - (a) the CSP scheme is declared active for the COVID-19 circumstance or group of COVID-19 circumstances affecting the person by an Order in Council made under section 7AAC; and
 - (b) for the period of activation of the CSP scheme,—
 - (i) the person meets the eligibility requirements referred to in subsection (3)(b)(i) for a grant; and
 - (ii) the person, or another person on their behalf, applies to the Commissioner for the grant.
 - (3) For the purposes of subsection (2) and an activation period, the Commissioner—
 - (a) must set out the procedure required for a person to make an application for a grant:
 - (b) must determine—
 - (i) the eligibility requirements that a person must meet to qualify for a grant:
 - (ii) the terms and conditions that apply to a grant:
 - (c) must publish, on an internet site administered by the Commissioner, the eligibility requirements referred to in paragraph (b)(i).
 - (4) If a person applies for a grant on behalf of another person, both the person and the person in whose name the application is made must provide information as required by the Commissioner.
 - (5) The person in whose name an application is made is bound by the CSP terms of the grant.
 - (6) The total amount of a grant paid to the person, together with any amount payable under the CSP terms, must be repaid to the Commissioner if the CSP terms require repayment.
 - (7) If a person who receives a grant from the Commissioner does not meet the eligibility requirements referred to in subsection (3)(b)(i), the person must immediately repay to the Commissioner the total amount of the grant together with any amount payable under the CSP terms.
 - (8) The persons referred to in subsection (4) must keep records referred to in section 22 to demonstrate that the eligibility requirements are met and the CSP terms have not been breached.
 - (9) For the purposes of this section and section 7AAC, the **CSP terms** of a grant for an activation period mean—

- (a) the terms and conditions applying in relation to a person's eligibility for the grant at the time the grant is made, and any other terms and conditions determined by the Commissioner under subsection (3)(b)(ii):
 - (b) the terms set out in an application for the grant that is made by or on behalf of a person, including the contents of a declaration, consent, or other representation made by or on behalf of the person:
 - (c) the terms and conditions set out in an agreement between the Commissioner and the person receiving the grant.
- (10) The COVID-19 resurgence support payments scheme is a CSP scheme and the CRSP terms of a grant under that scheme are CSP terms of the grant.

7AAC Orders in Council related to COVID-19 support payments scheme

- (1) For the purposes of section 7AAB, the Governor-General may by Order in Council—
- (a) declare the activation of a COVID-19 support payments scheme (the **CSP scheme**) in relation to a COVID-19 circumstance, or a group of COVID-19 circumstances, which affects eligible persons in New Zealand:
 - (b) specify the period for which, or the circumstances in which, the CSP scheme is to operate in relation to the COVID-19 circumstance or group of COVID-19 circumstances:
 - (c) describe a class or classes of persons who may apply for a grant under the CSP scheme and the amount of the grant to which they may be entitled:
 - (d) specify amendments to the CSP scheme, the CSP terms of a grant, or the matters referred to in section 7AAB(3)(a) and (b):
 - (e) extend, renew, or replace a time limit referred to in schedule 7, part A, clause 13B(2)(b).
- (2) For an order made under the power given in subsection (1)(e), the order—
- (a) expires if not renewed or replaced under paragraph (b), after—
 - (i) the period set out in the order, if applicable; or
 - (ii) if no period is set out, 6 months after the order comes into force:
 - (b) may be renewed or replaced by an Order in Council made on or before the date on which the order would otherwise expire.
- (3) An Order in Council made under subsection (1) or (2)(b) is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section

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|---------------------|--|-----------------|
| Publication | PCO must publish it on the legislation website and notify it in the <i>Gazette</i> | LA19 s 69(1)(c) |
| Presentation | The Minister must present it to the House of Representatives | LA19 s 114 |

Disallowance It may be disallowed by the House of Representatives LA19 ss 115, 116
This note is not part of the Act.

- (2) An Order in Council made under section 7AAC that is in force immediately before subsection (1) comes into force—
- (a) continues in force after subsection (1) comes into force as if made under the replacement section 7AAC:
 - (b) may be amended or revoked as if made under the replacement section 7AAC.
- 6 Section 157 amended (Deduction of tax from payments due to defaulters)**
In section 157(10), definition of **income tax**, paragraph (k), after “scheme”, insert “or another COVID-19 support payments scheme”.
- 7 Schedule 7 amended (Disclosure rules)**
In schedule 7, part A, clause 13B,—
- (a) in the heading, after “**scheme**”, insert “**or other COVID-19 support payments scheme**”:
 - (b) in subclause (1), after “**scheme**”, insert “or to another COVID-19 support payments scheme (the **CSP scheme**)”:
 - (c) in subclause (2)(a)(iv), after “CRSP scheme”, insert “or CSP scheme”:
 - (d) in subclause (3), after “section 7AAC”, insert “for the CRSP scheme or the CSP scheme”.

Part 2

Amendments to Income Tax Act 2007

- 8 Amendments to Income Tax Act 2007**
This Part amends the Income Tax Act 2007.
- 9 Section MB 13 amended (Family scheme income from other payments)**
In section MB 13(2)(j), after “scheme”, insert “, or another COVID-19 support payments scheme”.
- 10 Section MD 3 amended (Calculation of family tax credit)**
- (1) In section MD 3(4)(a), replace “\$5,878” with “\$6,642”.
 - (2) In section MD 3(4)(b), replace “\$4,745” with “\$5,412”.
 - (3) Subsections (1) and (2) apply for the 2022–23 and later tax years.
- 11 Section MD 13 amended (Calculation of family credit abatement)**
- (1) In section MD 13(3)(a)(i), replace “25 cents” with “27 cents”.
 - (2) In section MD 13(3)(a)(ii), replace “25 cents” with “27 cents”.

- (3) Subsections (1) and (2) apply for the 2022–23 and later tax years.

12 Section ME 1 amended (Minimum family tax credit)

- (1) In section ME 1(3)(a), replace “\$31,096” with “\$32,864”.
(2) Subsection (1) applies for the 2022–23 and later tax years.

13 Section MF 7 amended (Orders in Council)

- (1) Replace section MF 7(1)(a)(i) with:
- (i) correspond to the movement in the New Zealand Consumers Price Index after the quarter ended with 30 September 2021 that has not yet been taken into account by an increase:
- (2) Replace section MF 7(1)(db)(i) with:
- (i) corresponds to the movement in the New Zealand Consumers Price Index after the quarter ended with 30 September 2021 that has not yet been taken into account by an increase:
- (3) Replace section MF 7(2)(a) and (b) with:
- (b) in the case of the first Order in Council made under subsection (1)(a) after the date on which the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Act 2021 receives the Royal assent, must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on 1 October 2021 is 5% or more:
- (4) Replace section MF 7(2BA)(a) with:
- (a) in the case of the first Order in Council made under subsection (1)(db) after the date on which the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Act 2021 receives the Royal assent, must be made when the total percentage increase in the movement in the New Zealand Consumers Price Index measured from that applying on 1 October 2021 is 5% or more:
- (5) Replace section MF 7(2B)(a) and (b) with:
- (a) the number that, when the period started, was the most recent quarterly index number of the New Zealand Consumers Price Index (All Groups) published by Statistics New Zealand:
 - (b) the number that, when the period ended, was the most recent quarterly index number of the New Zealand Consumers Price Index (All Groups) published by Statistics New Zealand.
- (6) In section MF 7, list of defined terms, insert “quarter”.

14 Section MG 2 amended (Best Start tax credit)

- (1) In section MG 2(2)(a), replace “\$3,120” with “\$3,388”.
(2) Subsection (1) applies for the 2022–23 and later tax years.

15 Section YA 1 amended (Definitions)

In section YA 1, definition of **exempt interest**, paragraph (dc), after “scheme”, insert “, or another COVID-19 support payments scheme”.

Legislative history

23 November 2021

Introduction (Bill 96–1), first reading, second reading,
committee of the whole House, third reading

25 November 2021

Royal assent

This Act is administered by the Inland Revenue Department.