

Version
as at 1 November 2021



Taxation (Budget 2021 and Remedial Measures) Act 2021

Public Act 2021 No 19
Date of assent 24 May 2021
Commencement see section 2

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Note

The Parliamentary Counsel Office has made editorial and format changes to this version using the powers under subpart 2 of Part 3 of the Legislation Act 2019.

Note 4 at the end of this version provides a list of the amendments included in it.

This Act is administered by the Inland Revenue Department.

9	Schedule 1 amended (Application, transitional, and savings provisions relating to amendments to Act made on or after 1 April 2015)	5
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Part 5

Provisions relating to Taxation (Budget 2021 and Remedial Measures) Act 2021

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Taxation (Budget 2021 and Remedial Measures) Act 2021.

2 Commencement

- (1) This Act comes into force on the date on which it receives the Royal assent, except as provided in this section.
- (2) Sections 5, 6, 8(1) and (3), and 9(1) come into force on 1 April 2021.
- (3) Section 4 comes into force on 1 July 2021.
- (4) Sections 8(2) and (4), and 9(2) come into force on a date appointed by the Governor-General by Order in Council or, if not earlier brought into force, on 1 April 2022.
- (5) An Order in Council made under this section 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

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, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 2(4): sections 8(2) and (4) and 9(2) brought into force, on 1 November 2021, by clause 2 of the Taxation (Budget 2021 and Remedial Measures) Act Commencement Order 2021 (LI 2021/302).

Section 2(5): inserted, on 28 October 2021, by regulation 13 of the Legislation Act (Amendments to Legislation) Regulations 2021 (LI 2021/247).

Part 1

Adjustments to Minimum Family Tax Credit

3 Income Tax Act 2007

Part 1 amends the Income Tax Act 2007.

4 Section ME 1 amended (Minimum family tax credit)

In section ME 1(3)(a), replace “\$30,576” with “\$31,096”.

5 Sections MF 4F and MF 4G repealed

Repeal sections MF 4F and MF 4G.

6 New sections MF 4H and MF 4I inserted

Before section MF 5, insert:

MF 4H Calculation of instalments: 1 April 2021 to 30 June 2021

When this section applies

- (1) This section applies for calculating the amount of an instalment by way of tax credit under section ME 1 (Minimum family tax credit) for the period starting on 1 April 2021 and finishing on 30 June 2021.

Minimum family tax credit formula: section ME 1

- (2) The instalments for the tax credit under section ME 1 are calculated using the formula—

(prescribed amount – net family scheme income) × weekly periods ÷ 52.

Definition of items in formula

- (3) In the formula,—

- (a) **prescribed amount** is \$30,576;
- (b) **net family scheme income** is the net family scheme income, calculated using the formula in section ME 3 (Meaning of net family scheme income), for a relationship period containing the entitlement period, of—
- (i) the person; or
 - (ii) their spouse, civil union partner, or de facto partner; or
 - (iii) the person and their spouse, civil union partner, or de facto partner:
- (c) **weekly periods** is the number of periods of 1 week in the entitlement period for which the person is a full-time earner.

Defined in this Act: amount, civil union partner, de facto partner, entitlement period, full-time earner, minimum family tax credit, net family scheme income, relationship period, spouse, tax credit

MF 4I Calculation of instalments: 1 July 2021 to 31 March 2022

When this section applies

- (1) This section applies for calculating the amount of an instalment by way of tax credit under section ME 1 (Minimum family tax credit) for the period starting on 1 July 2021 and finishing on 31 March 2022.

Minimum family tax credit formula: section ME 1

- (2) The instalments for the tax credit under section ME 1 are calculated using the formula—

$$(\text{prescribed amount} - \text{net family scheme income}) \times \text{weekly periods} \div 52.$$

Definition of items in formula

- (3) In the formula,—
- (a) **prescribed amount** is \$31,096:
 - (b) **net family scheme income** is the net family scheme income, calculated using the formula in section ME 3 (Meaning of net family scheme income), for a relationship period containing the entitlement period, of—
 - (i) the person; or
 - (ii) their spouse, civil union partner, or de facto partner; or
 - (iii) the person and their spouse, civil union partner, or de facto partner:
 - (c) **weekly periods** is the number of periods of 1 week in the entitlement period for which the person is a full-time earner.

Defined in this Act: amount, civil union partner, de facto partner, entitlement period, full-time earner, minimum family tax credit, net family scheme income, relationship period, spouse, tax credit

Part 2

Remedial measures

7 Child Support Act 1991

Part 2 amends the Child Support Act 1991.

8 Section 134 amended (Penalties for late payment of financial support debts)

- (1) Replace section 134(2), other than the heading, with:
- (2) At the expiry of the due date, the penalty is the greater of the following amounts:
 - (a) the amount of \$5; and
 - (b) an amount equal to 2% of the amount of financial support remaining unpaid at the expiry of the due date.
- (2) Replace section 134(2), other than the heading, as inserted by subsection (1), with:
 - (2) At the expiry of the due date, the penalty is an amount equal to 2% of the amount of financial support remaining unpaid at the expiry of the due date.
- (3) In section 134(3), replace “27th” with “seventh” in each place where it appears.

- (4) In section 134(3), as inserted by subsection (3), replace “seventh” with “27th” in each place where it appears.

9 Schedule 1 amended (Application, transitional, and savings provisions relating to amendments to Act made on or after 1 April 2015)

- (1) Repeal schedule 1, part 4, clause 20.
(2) After part 4, insert:

**Part 5
Provisions relating to Taxation (Budget 2021 and Remedial
Measures) Act 2021**

23 Amendments to section 134 (Penalties for late payment of financial support debts)

The amendments to section 134 made by section 8(2) and (4) of the Taxation (Budget 2021 and Remedial Measures) Act 2021 apply to a financial support debt if the expiry of the seventh day after the due date falls on or after commencement of section 8(2) and (4) of that Act, but do not apply to a financial support debt if the expiry of the seventh day after the due date falls before commencement of those provisions.

Notes

1 *General*

This is a consolidation of the Taxation (Budget 2021 and Remedial Measures) Act 2021 that incorporates the amendments made to the legislation so that it shows the law as at its stated date.

2 *Legal status*

A consolidation is taken to correctly state, as at its stated date, the law enacted or made by the legislation consolidated and by the amendments. This presumption applies unless the contrary is shown.

Section 78 of the Legislation Act 2019 provides that this consolidation, published as an electronic version, is an official version. A printed version of legislation that is produced directly from this official electronic version is also an official version.

3 *Editorial and format changes*

The Parliamentary Counsel Office makes editorial and format changes to consolidations using the powers under subpart 2 of Part 3 of the Legislation Act 2019. See also PCO editorial conventions for consolidations.

4 *Amendments incorporated in this consolidation*

Taxation (Budget 2021 and Remedial Measures) Act Commencement Order 2021 (LI 2021/302)
Legislation Act (Amendments to Legislation) Regulations 2021 (LI 2021/247): Part 3