



# Taxation (Canterbury Earthquake Measures) Act 2011

Public Act 2011 No 24  
Date of assent 24 May 2011  
Commencement see section 2

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

**1 Title**

This Act is the Taxation (Canterbury Earthquake Measures) Act 2011.

**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 4, 5, 11(2), and 13 are treated as coming into force on 4 September 2010.
- (3) Sections 7, 8, 9, and 12 are treated as coming into force on 1 April 2011.
- (4) Sections 6, 10, and 11(3) come into force on 1 April 2013.

**Part 1**

**Amendments to Income Tax Act 2007**

**3 Income Tax Act 2007**

This Part amends the Income Tax Act 2007.

**4 New sections CZ 23 and CZ 24**

After section CZ 22, the following is inserted:

**“CZ 23 Employee benefits for Canterbury earthquake relief:  
exempt income**

*“Exempt income*

- “(1) Income derived by an employee from an employer is exempt income to the extent given by subsection (2) if the income—
- “(a) would be assessable income in the absence of this section; and
  - “(b) is provided by the employer for the purpose of relief of employees from the adverse effects of a Canterbury earthquake, as defined in section 4 of the Canterbury Earthquake Recovery Act 2011, of 4 September 2010 or 22 February 2011; and
  - “(c) is derived in the period of 8 weeks beginning on the day of that Canterbury earthquake; and
  - “(d) does not replace a PAYE income payment; and
  - “(e) does not depend on the seniority of the employee; and
  - “(f) is available to another employee, who is not an associated person of the employer and is or was immediately before a Canterbury earthquake in full-time employment with the employer, if the employee is an associated person of the employer; and
  - “(g) is treated by the employer as being exempt income for the employee.

*“Extent of exemption*

- “(2) Income satisfying subsection (1) is exempt income to the extent that the income is—
- “(a) accommodation as defined in section CE 1(2) (Amounts derived in connection with employment);
  - “(b) less than or equal to \$3,200 in total, if the income is in a form other than accommodation.

“Defined in this Act: assessable income, employee, employer, exempt income, fringe benefit, income

**“CZ24 Employee benefits for Canterbury earthquake relief:  
not fringe benefits**

*“When this section applies*

“(1) This section applies when an employee receives from an employer a benefit that—

“(a) would be a fringe benefit in the absence of this section; and

“(b) is for the purpose of the relief of employees from the adverse effects of a Canterbury earthquake, as defined in section 4 of the Canterbury Earthquake Recovery Act 2011, of 4 September 2010 or 22 February 2011; and

“(c) is received in the period of 8 weeks beginning on the day of that Canterbury earthquake; and

“(d) does not replace a PAYE income payment; and

“(e) does not depend on the seniority of the employee; and

“(f) is available to another employee, who is not an associated person of the employer and is or was immediately before a Canterbury earthquake in full-time employment with the employer, if the employee is an associated person of the employer; and

“(g) is treated by the employer as not being a fringe benefit.

*“Benefits with known value for employee*

“(2) Benefits satisfying subsection (1) that would, in the absence of this section, be fringe benefits having a value for the employee that the employer could estimate, are not fringe benefits to the extent that their total value as fringe benefits for the period would be less than or equal to the amount by which \$3,200 exceeds the income that is—

“(a) exempt income under section CZ 23(2)(b); and

“(b) derived by the employee from the employer in the same period.

*“Benefits with unknown value for employee*

“(3) Benefits satisfying subsection (1) that would, in the absence of this section, be fringe benefits having a value for the employee that the employer could not estimate, are not fringe benefits.

“Defined in this Act: associated person, employee, employer, exempt income, fringe benefit, income, PAYE income payment”.

**5 New section GZ 3**

After section GZ 2, the following is inserted:

**“GZ3 Donations of trading stock for relief of Canterbury earthquakes**

Section GC 1 (Disposals of trading stock at below market value) does not apply to the disposal of trading stock by a person to a person who is not an associated person—

- “(a) for the purpose of relief from the adverse effects of a Canterbury earthquake, as defined in section 4 of the Canterbury Earthquake Recovery Act 2011; and
- “(b) in the period beginning on 4 September 2010 and ending on 31 March 2012.

“Defined in this Act: associated person, trading stock”.

**6 What this Part does**

Section MA 1(c) is repealed.

**7 Family scheme income from other payments**

In section MB 13(2)(q), “another section.” is replaced by “another section:” and the following is added:

- “(r) a payment—
  - “(i) to relieve the adverse effects of an event declared to be an emergency event by the Commissioner in a determination under section 91AAS of the Tax Administration Act 1994; and
  - “(ii) in the period set by the Commissioner in the determination as relating to the event.”

**8 What this subpart does**

In section ML 1(1), “1 October 2010” is replaced by “1 October 2011”.

**9 Tax credit for redundancy payments**

In section ML 2(1), “1 April 2011” is replaced by “1 October 2011” in each place where it appears.

**10 Subpart ML repealed**

Subpart ML is repealed.

**11 Definitions**

- (1) This section amends section YA 1.
- (2) In the definition of **PAYE income payment**, “for the purposes of the PAYE rules” is omitted.
- (3) The definition of **redundancy payment** is repealed.

**Part 2****Amendments to other Acts***Tax Administration Act 1994***12 New heading and section 91AAS**

After section 91AAR of the Tax Administration Act 1994, the following is inserted:

*“Determinations relating to family scheme  
income*

**“91AAS Declaration of emergency event for purposes of family  
scheme income**

- “(1) The Commissioner may determine that an event is an emergency event, for the purposes of section MB 13(2)(r)(i) of the Income Tax Act 2007, if the event meets the requirements of paragraphs (a) and (b) of the definition of **emergency** in section 4 of the Civil Defence Emergency Management Act 2002.
- “(2) The determination must set a period relating to the event, for the purposes of section MB 13(2)(r)(ii) of the Income Tax Act 2007, equal to or less than 12 months and beginning on the day of the event.
- “(3) The determination may provide for the extension, limitation, variation, cancellation, or repeal of an earlier determination, except that the total period relating to an event may not exceed 12 months.
- “(4) As soon as possible after issuing or changing a determination under this section, the Commissioner must publish the new or changed determination in a publication chosen by the Commissioner.”

*Estate and Gift Duties Act 1968***13 New section 73B**

After section 73 of the Estate and Gift Duties Act 1968, the following is inserted:

**“73B Exemption for certain gifts of trading stock**

A gift by a person to a person who is not an associated person under the Income Tax Act 2007 shall not constitute a dutiable gift if the gift is—

- “(a) of trading stock as defined in section EB 2 of the Income Tax Act 2007; and
- “(b) made for the purpose of relief from the adverse effects of a Canterbury earthquake, as defined in section 4 of the Canterbury Earthquake Recovery Act 2011; and
- “(c) made within the period beginning on 4 September 2010 and ending on 31 March 2012.”

*Taxation (Budget Measures) Act 2010***14 Section 95 repealed**

Section 95 of the Taxation (Budget Measures) Act 2010 is repealed.

**15 Definitions**

Section 96(6) of the Taxation (Budget Measures) Act 2010 is repealed.

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**Legislative history**

4 May 2011	Introduction (Bill 288–1)
19 May 2011	First reading, second reading, committee of the whole House, third reading
24 May 2011	Royal assent

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This Act is administered by the Inland Revenue Department.

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