



Income Tax (Tax Credit) Order 2023

Cindy Kiro, Governor-General

Order in Council

At Wellington this 29th day of November 2023

Present:

Her Excellency the Governor-General in Council

This order is made under section MF 7 of the Income Tax Act 2007 on the advice and with the consent of the Executive Council.

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Order

1 Title

This order is the Income Tax (Tax Credit) Order 2023.

2 Commencement

This order comes into force on 1 April 2024.

3 Principal Act

This order amends the Income Tax Act 2007.

4 Section MD 3 amended (Calculation of family tax credit)

- (1) In section MD 3(4)(a), replace “\$7,121” with “\$7,524”.
- (2) In section MD 3(4)(b), replace “\$5,802” with “\$6,130”.
- (3) Subclauses (1) and (2) apply for the 2024–25 tax year and later tax years.

5 Section MG 2 amended (Best Start tax credit)

- (1) In section MG 2(2)(a), replace “\$3,632” with “\$3,838”.
- (2) Subclause (1) applies for the 2024–25 tax year and later tax years.

6 Revocation

The Income Tax (Tax Credit) Order 2022 (SL 2022/296) is revoked.

Rachel Hayward,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 1 April 2024, amends the Income Tax Act 2007.

Under the Income Tax Act 2007, the family tax credit and the Best Start tax credit must be adjusted for inflation once the cumulative value of quarterly increases in the New Zealand Consumers Price Index (**CPI**), measured from that applying on 1 October 2022, is 5% or more. CPI data indicates that the 5% threshold was exceeded by the end of the September 2023 quarter. An adjustment to the family tax credit and the Best Start tax credit is now required.

This order—

- adjusts the family tax credit, increasing the eldest child rate from \$7,121 to \$7,524 and the subsequent child rate from \$5,802 to \$6,130; and
- increases the Best Start tax credit from \$3,632 to \$3,838.

This order also revokes the Income Tax (Tax Credit) Order 2022.

Issued under the authority of the Legislation Act 2019.
Date of notification in *Gazette*: 30 November 2023.
This order is administered by the Inland Revenue Department.