



House of Representatives

Supplementary Order Paper

Tuesday, 4 March 2003

Taxation (Annual Rates, Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill

Proposed amendments

Hon Dr Michael Cullen, in Committee, to move the following amendments:

Clause 2

To omit (from line 14, page 6) “72(5), 99(2), 100, 101, 102(2), 103, 104” and substitute “37, 59(1A), 65(6B), 72(5), 81, 95(1) to (3), 97, 99(2), 100, 101, 102(2), 103, 104, 124(1)”.

New clause 4B

To insert before clause 5 (line 13, page 7) the following:

4B Double tax agreements

- (1) In section BH 1(1)—
 - (a) the subsection heading is replaced by “Definitions”:
 - (b) in the definition of **double tax agreement**, “tenor.” is replaced by “tenor”:
 - (c) after the definition of **double tax agreement**, the following is added:

“tax, in subsection (3)(c), has the meaning given by paragraphs (a)(i) to (v) of the definition of tax in the Tax Administration Act 1994.”
- (2) In section BH 1(3), “in relation to income tax and unpaid tax notwithstanding anything in this Act or in any other enactment” is replaced by the following:

“, notwithstanding anything in this Act or in any other enactment, in relation to—

 - “(a) income tax:
 - “(b) unpaid tax:
 - “(c) the exchange of information that relates to a tax”.

Clause 31

To omit line 25 on page 27.

To add (after line 28, page 27) the following:

“(cb) Open Home Foundation International Trust.”

Clause 37

To omit subclause (2) (lines 5 and 6, page 41).

Clause 59

To omit subclause (3) (lines 5 and 6, page 77).

Clause 60

To insert (line 14, page 77) after “distribution”, “in the form of a sum of money or a credit of an amount of money to the balance of an account with the Maori authority.”.

To omit (from line 25, page 77) “distribution:.” and substitute “distribution; and”.

To add after line 25, page 77 the following:

- “(f) to the extent that the payment is a taxable Maori authority distribution to which **paragraph (e)** does not apply, of an amount calculated according to the formula:

$$\left(\frac{a}{1-a} \times b \right) - c$$

where—

- a is the rate of resident withholding tax, expressed as a percentage, specified in **clause 3** of Schedule 14; and
- b is the amount of the distribution (disregarding any deduction of resident withholding tax); and
- c is the amount of the Maori authority credit attached to the distribution:.”.

Clause 65

To omit subclause (23) (lines 3 and 4, page 87).

Clause 75

To omit (from line 10, page 97) “the nearest” and substitute “a particular”.

Clause 81

To omit subclause (2) (lines 3 and 4, page 101).

Clause 95

To omit subclause (5) (lines 9 and 10, page 109).

Clause 97

To omit subclause (2) (lines 11 and 12, page 112).

Clause 105

To insert (in line 13, page 115) after “date”, “on which”.

Clause 109

To omit (from line 2, page 117) “of assent of” and substitute “on which”.

To insert (in line 4, page 117) after “2003”, “receives the Royal assent”.

Clause 115

To omit (from line 2, page 126) “of assent of” and substitute “on which”.
To insert (in line 4, page 126) after “2003”, “receives the Royal assent”.

Clause 117

To omit (from line 15, page 126) “of assent of” and substitute “on which”.
To insert (in line 17, page 126) after “2003”, “receives the Royal assent”.

Clause 120

To omit (from line 2, page 129) “of assent of” and substitute “on which”.
To insert (in line 4, page 129) after “2003”, “receives the Royal assent”.

Clause 121

To omit (from line 10, page 129) “of assent of” and substitute “on which”.
To insert (in line 12, page 129) after “2003”, “receives the Royal assent”.

Clause 124

To omit subclause (3) (lines 1 and 2, page 131).

Explanatory note

This Supplementary Order Paper amends the Taxation (Annual Rates, Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill.

In *clauses 2, 37, 59, 65, 81, 95, 97, and 124*, the commencement date of the tax pooling rules is changed to 1 April 2003.

In *new clause 4B*, the meaning of “tax” in section BH 1(3) is amended so that a double tax agreement may provide for the exchange of information that relates to income tax and information that relates to taxes other than income tax.

In *clause 31*, a duplication in the numbering of separately inserted paragraphs is removed.

In *clause 60*, provision is made for the payment of Resident Withholding Tax on a taxable Maori authority distribution that is not made in cash.

In *clause 75*, a change that was not requested by the Select Committee is corrected.

In *clauses 105, 109, 115, 117, 120, and 121*, the description of the period of application is corrected.