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**THE INCOME TAX (REORGANISATION AND REWRITE
CONSEQUENTIAL AMENDMENTS) REGULATIONS 1996**

MICHAEL HARDIE BOYS, Governor-General

ORDER IN COUNCIL

At Wellington this 18th day of December 1996

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to sections 224 and 225 of the Tax Administration Act 1994, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and application—(1) These regulations may be cited as the Income Tax (Reorganisation and Rewrite Consequential Amendments) Regulations 1996.

(2) These regulations apply with respect to the 1997–98 income year and subsequent years.

2. Regulations and orders amended—The regulations and orders specified in the first column of the Schedule to these regulations are hereby amended in the manner indicated in the third column of that Schedule.

3. Revocations—The following regulations are hereby consequentially revoked:

- (a) The Cooperative Dairy Companies Income Tax Regulations 1955, Amendment No. 1*;
- (b) The Cooperative Milk Marketing Companies Income Tax Regulations 1960, Amendment No. 1†.

*S.R. 1965/207
†S.R. 1965/208

SCHEDULE
AMENDMENTS TO INCOME TAX REGULATIONS AND ORDERS

| Regulations or Order | Statutory Regulations Serial Number | Amendment |
|---|--|--|
| Co-operative Dairy Companies Income Tax Regulations 1955 | 1955/55 | <p>By inserting in regulation 2 (1), in their appropriate alphabetical order, the following definitions:</p> <p>“ ‘Available subscribed capital per share’ has the same meaning as in section OB 1 of the Income Tax Act 1994:</p> <p>“ ‘Gross income’ has the same meaning as in section OB 1 of the Income Tax Act 1994:”.</p> <p>By revoking regulations 6 and 7, and substituting the following regulations:</p> <p>“6. Allocation of income—Where the Commissioner has under regulation 5 classified any amount as assessable income of a company, the Commissioner may, on the application of the company, allocate the amount to such one or more income years as the Commissioner thinks fit, and the amount so allocated to any income year shall be deemed to be assessable income or (in the case of the 1997–98 or any subsequent income year) gross income derived by the company during that income year.</p> <p>“7. Assessable income of shareholders—Where there is paid to a shareholder of a co-operative dairy company—</p> <p>“(a) On the surrender of any of the shareholder’s shares in the company, any amount in excess of the available subscribed capital per share of the shares surrendered; or</p> <p>“(b) On the liquidation of the company, any amount in excess of the available subscribed capital per share in respect of all shares held by the shareholder in the company,—</p> <p>the Commissioner may classify as gross income (other than a dividend) of the shareholder the amount of the excess or such part of it as the Commissioner determines.”</p> |
| Co-operative Milk Marketing Companies Income Tax Regulations 1960 | 1960/1 | <p>By inserting in regulation 2 (1), in their appropriate alphabetical order, the following definitions:</p> <p>“ ‘Available subscribed capital per share’ has the same meaning as in section OB 1 of the Income Tax Act 1994:</p> |

SCHEDULE—*continued*AMENDMENTS TO INCOME TAX REGULATIONS AND ORDERS—*continued*

| Regulations or Order | Statutory Regulations Serial Number | Amendment |
|--|-------------------------------------|--|
| Co-operative Milk Marketing Companies Income Tax Regulations 1960— <i>continued</i> | | <p>“Gross income’ has the same meaning as in section OB 1 of the Income Tax Act 1994:”.</p> <p>By revoking regulations 6 and 7, and substituting the following regulations:</p> <p>“6. Allocation of income—Where the Commissioner has under regulation 5 classified any amount as assessable income of a company, the Commissioner may, on the application of the company, allocate the amount to such one or more income years as the Commissioner thinks fit, and the amount so allocated to any income year shall be deemed to be assessable income or (in the case of the 1997–98 or any subsequent income year) gross income derived by the company during that income year.</p> <p>“7. Assessable income of shareholders—Where there is paid to a shareholder of a co-operative milk marketing company—</p> <p>“(a) On the surrender of any of the shareholder’s shares in the company, any amount in excess of the available subscribed capital per share of the shares surrendered; or</p> <p>“(b) On the liquidation of the company, any amount in excess of the available subscribed capital per share in respect of all shares held by the shareholder in the company,—</p> <p>the Commissioner may classify as gross income (other than a dividend) of the shareholder the amount of the excess or such part of it as the Commissioner determines.”</p> |
| Co-operative Pig Marketing Companies Income Tax Regulations 1964 | 1964/37 | <p>By inserting in regulation 2 (1), in their appropriate alphabetical order, the following definitions:</p> <p>“‘Available subscribed capital per share’ has the same meaning as in section OB 1 of the Income Tax Act 1994:</p> <p>“‘Gross income’ has the same meaning as in section OB 1 of the Income Tax Act 1994:”.</p> <p>By revoking regulations 6 and 7, and substituting the following regulations:</p> <p>“6. Allocation of income—Where the Commissioner has under regulation 5 classified any amount as assessable income of a company, the Commissioner may, on the application of the company, allocate the amount to such one or more</p> |

SCHEDULE—continued

AMENDMENTS TO INCOME TAX REGULATIONS AND ORDERS—continued

| Regulations or Order | Statutory Regulations Serial Number | Amendment |
|--|-------------------------------------|---|
| Co-operative Pig Marketing Companies Income Tax Regulations 1964—continued | | <p>income years as the Commissioner thinks fit, and the amount so allocated to any income year shall be deemed to be assessable income or (in the case of the 1997-98 or any subsequent income year) gross income derived by the company during that income year.</p> <p>"7. Assessable income of shareholders—Where there is paid to a shareholder of a co-operative pig marketing company—</p> <p>"(a) On the surrender of any of the shareholder's shares in the company, any amount in excess of the available subscribed capital per share of the shares surrendered; or</p> <p>"(b) On the liquidation of the company, any amount in excess of the available subscribed capital per share in respect of all shares held by the shareholder in the company,—</p> <p>the Commissioner may classify as gross income (other than a dividend) of the shareholder the amount of the excess or such part of it as the Commissioner determines."</p> |
| Income Tax (Determinations) Regulations 1987 | 1987/114 | <p>By omitting from the definition of "The Act" in regulation 2 the expression "Income Tax Act 1976", and substituting the expression "Tax Administration Act 1994".</p> <p>By omitting the expression "64E" wherever it occurs in the definition of "determination" in regulation 2 and in regulations 3(1) and (5), 4(2) and (4), 5(1), 6(c) and 12(1) and (2) and in clause 2 of the Schedule, and substituting in each case the expression "90".</p> <p>By omitting from the heading to the Schedule the expression "SECTION 64E(7) OF THE INCOME TAX ACT 1976", and substituting the expression "SECTION 90(7) OF THE TAX ADMINISTRATION ACT 1994".</p> |
| Income Tax (Exempt Unit Trusts) Order 1990 | 1990/254 | By adding to clause 2 the words "or section HE 1 of the Income Tax Act 1994". |
| Income Tax (Calculation of Interest on Fringe Benefit Tax) Regulations 1993 | 1993/144 | <p>By revoking regulation 2, and substituting the following regulation:</p> <p>"2. Calculation of amount added to fringe benefit tax paid on annual or income year basis—The additional amount in the nature of interest that is payable under section 123 of the Tax Administration Act 1994 by any employer who pays fringe benefit tax—</p> |

SCHEDULE—continued

AMENDMENTS TO INCOME TAX REGULATIONS AND ORDERS—continued

| Regulations or Order | Statutory Regulations Serial Number | Amendment |
|--|-------------------------------------|--|
| Income Tax (Calculation of Interest on Fringe Benefit Tax) Regulations 1993— <i>continued</i> | | <p>“(a) On an annual basis in accordance with section ND 3 of the Income Tax Act 1994; or</p> <p>“(b) On an income year basis in accordance with section ND 4 of the Income Tax Act 1994— shall be calculated in accordance with these regulations.”</p> <p>By omitting from regulation 5 (1) and (2) the expression “section 336TA of the Income Tax Act 1976”, and substituting in each case the expression “section ND 3 of the Income Tax Act 1994”.</p> <p>By omitting from item b in regulation 6 (1) the expression “section 336TA(4) or section 336TB (4) of the Income Tax Act 1976”, and substituting the expression “section ND 3 or section ND 4 of the Income Tax Act 1994”.</p> <p>By omitting from regulation 6(2) (as substituted by regulation 4 of the Income Tax (Calculation of Interest on Fringe Benefit Tax) Regulations 1993, Amendment No. 1) the expression “section 336TB of the Income Tax Act 1976”, and substituting the expression “section ND 4 of the Income Tax Act 1994”.</p> |
| Income Tax (Depreciation Determinations) Regulations 1993 | 1993/232 | <p>By omitting from regulation 2 the expression “Income Tax Act 1976” where it twice occurs, and substituting in each case the expression “Income Tax Act 1994”.</p> <p>By omitting from paragraph (a) of the definition of “depreciation determination” in regulation 2 the expression “108r”, and substituting the expression “EG 10”.</p> <p>By omitting from paragraph (b) of that definition the expression “108j (6),” and substituting the expression “EG 11 (6)”.</p> <p>By omitting from paragraph (c) of that definition the expression “108k”, and substituting the expression “EG 12”.</p> <p>By omitting the expression “108r” where it occurs in regulations 3 (1)(c) and (2), 6 (1)(a), and 9 (1), and substituting in each case the expression “EG 10”.</p> <p>By omitting from regulation 6 (1)(b) the expression “108j (6),” and substituting the expression “EG 11 (6)”.</p> |

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

The main aim of these regulations is to update various income tax regulations and orders to—

- (a) Reflect the changes in nomenclature effected by the Taxation (Core Provisions) Act 1996, with its shift to the global/gross approach to the calculation of income tax liabilities; and
- (b) Update existing references to the 1976 Act to now refer to relevant provisions of the Income Tax Act 1994 and the Tax Administration Act 1994.

The amendments are not intended to change the substance of the regulations and orders amended.

The amendments take effect from the 1997–98 income year.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 19 December 1996.

These regulations are administered in the Inland Revenue Department.