



Income Tax (Payroll Subsidy) Regulations 2006

Dame Sian Elias, Administrator of the Government

Order in Council

At Wellington this 19th day of June 2006

Present:

The Hon Dr Michael Cullen presiding in Council

Pursuant to section NBB 6(6) of the Income Tax Act 2004, Her Excellency the Administrator of the Government, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

- 1 Title**
 These regulations are the Income Tax (Payroll Subsidy) Regulations 2006.

2 Commencement

These regulations come into force on 1 October 2006.

3 Interpretation

In these regulations, unless the context otherwise requires,—
arrangement means an arrangement under subpart NBA of Part N of the Income Tax Act 2004

source deduction payment, in relation to an employee, has the meaning given to it by section OB 2 of the Income Tax Act 2004.

4 Amount of payroll subsidy

The amount of the subsidy to be paid to a listed PAYE intermediary under section NBB 6 of the Income Tax Act 2004 in respect of each employer who contracts the services of the listed PAYE intermediary must be calculated using the following formula:

$$a = \$2 \times b \times c$$

where—

- a is the amount of the subsidy to be paid to the listed PAYE intermediary in respect of each employer who, in the period for which the subsidy is claimed, contracts the services of the listed PAYE intermediary
- b is the number of employees of the employer to whom the arrangement with the listed PAYE intermediary applies in the period for which the subsidy is claimed or, if there are more than 5, up to a maximum of 5 of those employees who are nominated by the listed PAYE intermediary
- c is the number of source deduction payments made in the period for which the subsidy is claimed in respect of the employees who make up the number of employees referred to in item b.

Diane Morcom,
Clerk of the Executive Council.

Explanatory note

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

These regulations, which come into force on 1 October 2006, provide for the calculation of the payroll subsidy to be paid to listed PAYE intermediaries under section NBB 6 of the Income Tax Act 2004. Subpart NBB of the Act prescribes the requirements that must be met before the subsidy is payable, for example, the employer must be one to whom section NC 15(1)(c) or (d) applies and the PAYE intermediary must meet certain obligations.

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

Date of notification in *Gazette*: 22 June 2006.

These regulations are administered by the Inland Revenue Department.
