

**Reprint  
as at 3 June 2017**



## **Finance Act 1987**

Public Act      1987 No 200  
Date of assent      18 December 1987  
Commencement      see section 1

Finance Act 1987: repealed, on 3 June 2017, by section 3(1) of the Statutes Repeal Act 2017 (2017 No 23).

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**Note**

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.  
Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Treasury.**

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## **An Act to make provision with respect to public finances and other matters**

### **1 Short Title and commencement**

- (1) This Act may be cited as the Finance Act 1987.
- (2) Sections 2 and 13 shall come into force on 1 January 1988.
- (3) Sections 8, 11, and 14 shall come into force on 1 April 1988.
- (4) Subject to subsections (2) and (3), this Act shall come into force on the day on which it receives the Governor-General's assent.

### **Part 1**

#### **Substantive provisions**

### **2 Repeal of Building Performance Guarantee Corporation Act 1977**

- (1) The following enactments are hereby repealed:
  - (a) the Building Performance Guarantee Corporation Act 1977:

- (b) so much of Schedule 3 of the State Services Act 1962 as relates to the Building Performance Guarantee Corporation of New Zealand established by section 3(1) of the Building Performance Guarantee Corporation Act 1977 (hereafter in this section referred to as the Guarantee Corporation):
  - (c) so much of Schedule 3 of the Flags, Emblems, and Names Protection Act 1981 as relates to the Building Performance Guarantee Corporation Act 1977 or the Guarantee Corporation:
  - (d) subsections (3)(b) and (5) of section 24 of the Official Information Amendment Act 1987:
  - (e) so much of Part 2 of Schedule 1 of the Ombudsmen Act 1975 as relates to the Guarantee Corporation.
- (2) The Building Performance Guarantee Corporation Commencement Order 1978 is hereby revoked.
  - (3) The Guarantee Corporation is hereby abolished.
  - (4) All rights, assets, liabilities, and debts that the Guarantee Corporation had immediately before the commencement of this section shall, on that commencement, be deemed to have become rights, assets, liabilities, and debts of Housing New Zealand Corporation (hereafter in this section referred to as the Housing Corporation); and the Housing Corporation shall have all the powers that are reasonably necessary or expedient to enable it to satisfy those liabilities.
  - (5) Without limiting the generality of subsection (4), the Housing Corporation may, in its discretion, do anything in respect of any land, residential building, or other property, that it considers necessary or desirable to do to mitigate its liability or contingent liability under any indemnity given by the Guarantee Corporation under the Building Performance Guarantee Corporation Act 1977 or to satisfy or attempt to satisfy any claim made by any person in respect of any such indemnity.
  - (6) Notwithstanding subsection (1)(a), Part 4 of the Building Performance Guarantee Act 1977 shall apply to claims made to the Housing Corporation in respect of indemnities given by the Guarantee Corporation under the Building Performance Guarantee Corporation Act 1977.

Section 2(4): amended, on 1 July 2001, by section 24(1) of the Housing Corporation Amendment Act 2001 (2001 No 37).

### **3 Authorising Crown shareholding in Maori Development Corporation Limited**

- (1) In this section, **the Corporation** means Maori Development Corporation Limited.
- (2) The Ministers of Finance and Maori Affairs may from time to time—
  - (a) on behalf of Her Majesty the Queen, subscribe for or otherwise acquire shares in the Corporation:

- (b) either—
    - (i) by forgiving the Corporation money owed by the Corporation to Her Majesty; or
    - (ii) from the Consolidated Account or the Loans Account, out of money appropriated by Parliament for the purpose,—  
pay for any such shares so acquired:
  - (c) on behalf of Her Majesty, exercise all or any of Her Majesty's rights as the holder of any shares in the Corporation.
- (3) The number of shares in the Corporation held by each Minister pursuant to subsection (2) shall be the same.

#### **4 Exchange of shares between the Crown and Equiticorp Holdings Limited**

The Minister of Finance may,—

- (a) on behalf of Her Majesty, acquire in exchange for the shares in New Zealand Steel Limited held on behalf of Her Majesty by the responsible Minister any shares in Equiticorp Holdings Limited:
- (b) exercise any of Her Majesty's rights or powers in respect of the shares acquired.

Section 4(a): amended, on 1 December 1988, pursuant to section 3(1) of the Trade and Industry Act Repeal Act 1988 (1988 No 156).

#### **5 Crown may dispose of certain shares by way of exchange**

- (1) The Minister of Finance may,—
- (a) on behalf of Her Majesty, acquire in exchange for any shares held by any Minister or Ministers of the Crown in—
    - (i) Air New Zealand Limited; or
    - (ii) DFC New Zealand Limited; or
    - (iii) *[Repealed]*
 any shares in any other company:
  - (b) exercise any of Her Majesty's rights or powers in respect of any shares so acquired.
- (2) The Minister of Finance shall dispose of all shares acquired under the authority of subsection (1) within 18 months of acquiring them.

Section 5(1)(a)(iii): repealed, on 30 June 1988, by section 3(5) of the Finance Act 1988 (1988 No 107).

#### **6 Petrocorp losses**

- (1) For the purposes of this section,—

**Petrocorp** means Petroleum Corporation of New Zealand Limited

**subsidiary** means any company that, at the close of 31 March 1987 and the close of 31 March 1988, was a member of a group of companies that included Petrocorp.

- (2) Sections IA 5 and IZ 5 of the Income Tax Act 2007 do not apply for the purpose of determining the entitlement to carry forward under that section any net loss for the tax year ending with 31 March 1988 or for any earlier tax year, or to offset the loss against the net income for any other tax year (including the tax year ending with 31 March 1988),—
  - (a) of Petrocorp; or
  - (b) if at the end of that other tax year any subsidiary was a member of a group of companies that included Petrocorp, of that subsidiary.
- (3) In calculating the net income for any tax year of any company (not being Petrocorp, and not being a subsidiary that was, for that tax year, a member of a group of companies that included Petrocorp) under the Income Tax Act 2007, no deduction shall be made under section IC 5 of that Act in relation to any net loss or part of any net loss of Petrocorp or any subsidiary in the tax year ending with 31 March 1988 or in any earlier tax year.
- (4) This section shall be interpreted as if it is part of the Income Tax Act 2007.

Section 6(2): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 6(2): amended, on 1 April 2005 (effective for 2004–05 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 6(2): amended, on 26 July 1996 (applying to the 1997–98 and subsequent income years), by section 484 of the Taxation (Core Provisions) Act 1996 (1996 No 67).

Section 6(2)(b): amended, on 1 April 2005 (effective for 2004–05 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 6(3): substituted, on 26 July 1996 (applying to the 1997–98 and subsequent income years), by section 484 of the Taxation (Core Provisions) Act 1996 (1996 No 67).

Section 6(3): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 6(3): amended, on 1 April 2005 (effective for 2004–05 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 6(4): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

## 7 Amendment to Public Finance Act 1977

*[Repealed]*

Section 7: repealed (with effect on 1 July 1989), on 26 July 1989, by section 87 of the Public Finance Act 1989 (1989 No 44).

**8 Amendment to Building Research Levy Act 1969**

- (1) This section shall be read together with and be deemed part of the Building Research Levy Act 1969.
- (2) *Amendment(s) incorporated in the Act(s).*
- (3) The Building Research Levy Amendment Act 1982 is hereby consequentially repealed.

**9 State-owned enterprises**

- (1) *[Repealed]*
- (2) Sections 3(4), 6(1), 7(1), 12, and 20 of the Telecommunications Act 1987 shall have effect as if Telecom Corporation of New Zealand Limited owns the assets used by the Corporation pursuant to the deed dated 31 March 1987 between—
  - (a) the Minister of Finance and the Minister responsible for the Corporation acting on behalf of Her Majesty the Queen in right of New Zealand; and
  - (b) the Corporation.

- (3) *[Repealed]*

Section 9(1): repealed, on 1 April 1993, by section 173(1) of the Electricity Act 1992 (1992 No 122).

Section 9(3): repealed, on 1 April 1998, by section 62(2)(c) of the Postal Services Act 1998 (1998 No 2).

**10 Interim provisions relating to appeals to Social Security Appeal Authority against decisions made pursuant to delegation, etc**

*[Repealed]*

Section 10: repealed, on 1 October 1998, by section 11 of the Employment Services and Income Support (Integrated Administration) Act 1998 (1998 No 96).

**11 Amendment to State-Owned Enterprises Act 1986**

*[Repealed]*

Section 11: repealed, on 8 August 1991, by section 9(2) of the Finance Act 1991 (1991 No 93).

**Part 2****Validations and repeals**

*[Repealed]*

Part 2: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**12 Air New Zealand Limited**

*[Repealed]*

Section 12: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**13 Repeal of Liquid Fuels Trust Act 1978**

*[Repealed]*

Section 13: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**14 Repeal of National Housing Commission Act 1972**

*[Repealed]*

Section 14: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**15 Tokelau 1983 Souvenir \$5 coin**

*[Repealed]*

Section 15: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**16 Validating unlawful borrowing by New Zealand Kiwifruit Authority**

*[Repealed]*

Section 16: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**17 Validating unlawful loan by Agricultural Pests Destruction Council**

*[Repealed]*

Section 17: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**18 Validating unlawful collection of coal research levy association levy**

*[Repealed]*

Section 18: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**19 Repeals and savings**

*[Repealed]*

Section 19: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**20 Repeal of spent provincial enactments**

*[Repealed]*

Section 20: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

**Schedule  
Enactments repealed**

*[Repealed]*

s 19(1)

Schedule: repealed, on 30 June 1988, by section 20(1) of the Finance Act 1988 (1988 No 107).

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## Finance Act 1988

Public Act	1988 No 107
Date of assent	30 June 1988
Commencement	see section 1(2)

### 1 Short Title and commencement

- (1) This Act may be cited as the Finance Act 1988.
- (2) Subject to section 6(5), this Act shall come into force on the day on which it receives the Royal assent.

## Part 3

### Validation, amendments, and repeals

#### 20 Repeals

- (1) *Amendment(s) incorporated in the Act(s).*
- (2) The repeal by subsection (1) of sections 13(4) and 14(3) of the Finance Act 1987 does not affect the rights, assets, liabilities or debts of the Minister of Energy or Housing New Zealand Corporation.
- (3) The repeal by subsection (1) of sections 15 to 18 of the Finance Act 1987 does not affect the validity of anything validated by any of those sections.

Section 20(2): amended, on 1 July 2001, by section 24(1) of the Housing Corporation Amendment Act 2001 (2001 No 37).



## Reprints notes

### **1**    *General*

This is a reprint of the Finance Act 1987 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### **2**    *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### **3**    *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### **4**    *Amendments incorporated in this reprint*

Statutes Repeal Act 2017 (2017 No 23): section 3(1)

Income Tax Act 2007 (2007 No 97): section ZA 2(1)

Income Tax Act 2004 (2004 No 35): section YA 2

Housing Corporation Amendment Act 2001 (2001 No 37): section 24(1)

Employment Services and Income Support (Integrated Administration) Act 1998 (1998 No 96): section 11

Postal Services Act 1998 (1998 No 2): section 62(2)(c)

Taxation (Core Provisions) Act 1996 (1996 No 67): section 484

Electricity Act 1992 (1992 No 122): section 173(1)

Finance Act 1991 (1991 No 93): section 9(2)

Public Finance Act 1989 (1989 No 44): section 87

Trade and Industry Act Repeal Act 1988 (1988 No 156): section 3(1)

Finance Act 1988 (1988 No 107): sections 3(5), 20(1)