

# Taxation (Remedial Matters) Act 1999

Public Act 1999 No 98  
Date of assent 8 September 1999

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**An Act to make remedial amendments under the Inland Revenue Acts**

**BE IT ENACTED by the Parliament of New Zealand as follows:**

**1 Short Title**

This Act may be cited as the Taxation (Remedial Matters) Act 1999.

**Part 1**

**Amendments to Income Tax Act 1994**

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**2 Income Tax Act 1994**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**3 Public and local authorities' exempt income**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**4 Meaning of term dividends**

*[Repealed]*

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**5 Transfer of excepted financial arrangement within wholly-owned group**

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**6 Relationship with rest of Act**

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**8 Consideration***[Repealed]*

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**21 Rule for calculating individual excess interest allocation amount***[Repealed]*

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**22 Rules for applying surplus group excess interest allocation amount to increase income tax and dividend withholding payment**

*[Repealed]*

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**23 Cost of producing films**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**24 Cross-border arrangement between associated persons**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**25 New Subpart inserted**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**26 Taxation on election to become qualifying company**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**27 Rebate in respect of gifts of money**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**28 Allowance of credit of tax in end of year assessment**

*[Repealed]*

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**29 Credit of tax by instalments***[Repealed]*

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**30 Transitional rates for interim instalments during period 1 July 1997 to 30 June 1998***[Repealed]*

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**31 Transitional rates for interim instalments during period 1 January 1998 to 30 June 1998***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**32 Commissioner to deliver credit of tax by instalments***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**33 Conduit tax relief***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**34 Calculation of percentage of shareholders not resident***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**35 Provisional tax of consolidated group members***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**36 Debits arising to imputation credit account of group***[Repealed]*

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**37 Rule for calculating company's excess interest allocation percentage***[Repealed]*

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**38 Credits arising to group dividend withholding payment account***[Repealed]*

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**39 New section inserted***[Repealed]*

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**40 Company may elect to be a conduit tax relief company and maintain conduit tax relief account***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**41 Debits arising to conduit tax relief account***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**42 New sections added***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**43 Applications of tax codes specified in tax code declarations or tax code certificates**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**44 Cessation of transitional tax allowance for purposes of tax code**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**45 Employee using incorrect tax code**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**46 Non-resident withholding tax imposed**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**47 Non-resident withholding tax to be minimum tax in certain cases**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**48 Power of Commissioner to grant relief from or vary amount of deductions**

*[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**49 Reduction in liability under conduit tax relief**

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Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**50 Definitions***[Repealed]*

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**51 Voting interests***[Repealed]*

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**52 Market value interests***[Repealed]*

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**53 Defining when 2 persons are associated persons***[Repealed]*

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**54 Further definitions of associated persons***[Repealed]*

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**55 Schedule 18—State enterprises***[Repealed]*

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**56 Schedule 19—Basic tax deductions***[Repealed]*

Part 1 (sections 2 to 56) was repealed, as from 1 April 2005, by section YA 2 Income Tax Act 2004 (2004 No 35).

**Part 2**  
**Amendments to Tax Administration Act**  
**1994**

**57 Tax Administration Act 1994**

This Part amends the Tax Administration Act 1994.

**58 Interpretation**

(1) In section 3, in the definition of **tax**, the following is added after paragraph (a)(xi):

“(xii) Is a tax prescribed in section 173D:”.

(2) Subsection (1) applies on and after 20 May 1999.

**59 Shareholder dividend statement to be provided by company**

(1) In section 29(1), “conduit tax relief amount” is replaced by “conduit tax relief credit”.

(2) After section 29(1)(i), the following is inserted:

“(ia) When a conduit tax relief credit is attached to the dividend, the information required to be included in the shareholder dividend statement in accordance with section 30A:”.

(3) Subsections (1) and (2) apply to dividends paid on or after 1 April 1998.

**60 Statement to shareholder when conduit tax relief credit attached to dividend**

(1) Section 30A(a) is repealed.

(2) Subsection (1) applies on 1 April 1998.

**61 Annual income tax returns not required**

(1) Section 33A(1) and (2) is replaced by:

“(1) A natural person is not required to furnish a return of income for an income year and will not receive an income statement from the Commissioner for the year if, in the year, the person—

“(a) Had annual gross income that was derived from—

“(i) Income from employment that is subject to the PAYE rules; or

- “(ii) Interest or a dividend that is subject to the RWT rules; or
- “(iii) Interest or a dividend that does not have a New Zealand source; and
- “(b) Derives a total of \$200 or less of—
  - “(i) Gross income that is subject to the PAYE rules in relation to which the person’s obligations under those rules are not met; and
  - “(ii) Gross income that is subject to the PAYE rules and to a student loan repayment deduction under sections 19 and 20 of the Student Loan Scheme Act 1992, in relation to which the person’s obligations under those rules are not met; and
  - “(iii) Income from employment from which the earner premium is not deducted correctly; and
  - “(iv) Interest, excluding interest for which a RWT deduction certificate did not have to be prepared under section 25(7), from which RWT has been withheld at a rate other than that specified in Schedule 14, clause 1(b) of the Income Tax Act 1994 if that person’s annual gross income exceeds \$38,000; and
  - “(v) Income from employment being extra emoluments from which tax has been withheld at a rate other than that specified in Schedule 19, clause 8(b) of the Income Tax Act 1994, if that person’s annual gross income exceeds \$38,000; and
  - “(vi) Income from employment being secondary earnings from which tax has been withheld at a rate other than that specified in Schedule 19, clause (5A) of the Income Tax Act 1994, if that person’s annual gross income exceeds \$38,000; and
  - “(vii) Interest or dividends, if the person is required to pay financial support in the income year under the Child Support Act 1991; and
  - “(viii) Interest or dividends, if the person has an IRD loan balance (as defined in section 2 of the Student Loan Scheme Act 1992), other than a balance of nil on the last day of the income year,

- and income that is more than the student loan repayment threshold (as defined in section 2 of the Student Loan Scheme Act 1992) for that income year; and
- “(ix) Salary or wages from employment as an election day worker, if the worker has used the **EDW** tax code; and
  - “(x) Interest or a dividend that—
    - “(A) Does not have a New Zealand source; and
    - “(B) Was subject to a withholding tax at source; and
- “(c) Does not receive income from employment from which a tax deduction is made and the amount of the tax deduction is determined in whole or in part by a special tax code certificate issued under section NC 14 of the Income Tax Act 1994; and
- “(d) Is not issued a family certificate of entitlement for any part of the income year; and
- “(e) Does not have a spouse who is issued with a family certificate of entitlement for any part of the income year; and
- “(f) Or the spouse of the natural person, is not paid by the chief executive of the department for the time being responsible for the administration of the Social Security Act 1964 a Part KD credit under section KD 2 of the Income Tax Act 1994 for which the amount of the family credit abatement is greater than nil; and
- “(g) Is a person who in an income year has a nil IRD loan balance on the last day of the year.
- “(2) Subsection (1) does not apply to a natural person who, in an income year—
- “(a) Is a non-resident; or
  - “(b) Is a provisional taxpayer; or
  - “(c) Is not a cash basis person; or
  - “(d) Received a withholding payment; or
  - “(e) Received interest or a dividend that did not have a New Zealand source and from which a withholding tax was not deducted at source; or
  - “(f) Received interest or dividends that—

- “(i) Total more than \$200; and
  - “(ii) Did not have a New Zealand source; and
  - “(iii) Had a withholding tax deducted at source; or
  - “(g) Received beneficiary income; or
  - “(h) Received gross income as a private domestic worker; or
  - “(i) Is required under section 44 to furnish a return of income; or
  - “(j) Made a net loss, other than a net loss under section LB 2(3) of the Income Tax Act 1994; or
  - “(k) Has an available net loss; or
  - “(l) Died; or
  - “(m) Held a certificate of exemption under section NF 9 of the Income Tax Act 1994 at any time in that income year; or
  - “(n) Leaves New Zealand and contacts the Commissioner for an assessment to determine their income tax liability for the year; or
  - “(o) Is a person who the Commissioner considers should furnish a return of income.”
- (2) In section 33A(5), “person” is replaced by “natural person”.
- (3) Subsections (1) and (2) apply to the 1999-2000 and subsequent income years.

## **62 Electronic filing exemption for new businesses**

- (1) After section 36C, the following is inserted:

### **“36CA**

- (1) An employer who begins business after 1 April 1999 and who is required to furnish an employer monthly schedule electronically may furnish an employer monthly schedule on the form prescribed by the Commissioner for the first six months of business.
- “(2) The first six months of business begins on the date on which the employer begins business.”
- (2) Subsection (1) applies to employer monthly schedules that must be furnished on and after 1 April 1999.

**63 Returns to annual balance date**

- (1) In section 38(1), “section 33A” is replaced by “section 33A(1) or (5)”.
- (2) Subsection (1) applies to the 1999-2000 and subsequent income years.

**64 Returns by person claiming housekeeper or charitable rebates**

- (1) Section 41A(3) and (4) is replaced by:
  - “(3) The sum of the qualifying payments under section KC 4 of the Income Tax Act 1994 and gifts under section KC 5 of the Income Tax Act 1994 must not be more than a taxpayer’s taxable income in the income year in which the qualifying payment or gift, or both the qualifying payment and gift, is made.
  - “(4) If subsection (3) applies, the Commissioner must, in equal portions, reduce the total amount of qualifying payments and gifts so that the total is not more than the taxpayer’s taxable income in the income year in which the qualifying payment or gift, or both the qualifying payment and gift, is made.”
- (2) Section 41A(6) is replaced by:
  - “(6) A taxpayer with a standard balance date or an early balance date may apply for a refund for an income year only in the 6 months from 1 April to 30 September (both dates inclusive) next following the end of the taxpayer’s income year. Late balance date taxpayers may apply for a refund for an income year only in the 6 months beginning on the first day of the taxpayer’s next accounting year.
  - “(6A) Despite subsection (1), the Commissioner must not refund a rebate unless an application complies with subsections (2) and (3).”
- (3) Subsections (1) and (2) apply to the 1999-2000 and subsequent income years.

**65 Notification required that taxpayer not subject to this Part**

- (1) In section 80B(1), “or received interest or dividends” is replaced by “interest or dividends”.
- (2) Subsection (1) applies to the 1999-2000 and subsequent income years.

**66 Natural person to request income statement**

- (1) After section 80C(1), the following is inserted:
- “(1A) Subsection (1) does not apply to a person who has received resident withholding income that had insufficient resident withholding tax deducted due to an error made by the payer”.
- (2) Subsection (1) applies to the 1999-2000 and subsequent income years.

**67 Particulars to be included in income statement**

- (1) Section 80E(1) is replaced by:
- “(1) An income statement issued under this Part must contain the information specified in subsection (2) to the extent that the information is both available and applicable to the person’s circumstances.”
- (2) After section 80E(2)(e), the following is inserted:
- “(ea) For a person to whom a certificate of entitlement has been issued under section KD 5 of the Income Tax Act 1994, particulars relating to family support and family plus; and”.
- (3) After section 80E(2), the following is inserted:
- “(3) Information required under subsection (2)(ea) may be placed on a separate form and still remain part of the income statement.”
- (4) Subsections (1) to (3) apply to the 1999-2000 and subsequent income years.

**68 Taxpayer obligations and assessment on receipt of income statement**

- (1) After section 80F(6), the following is inserted:
- “(6A) Subsection (6) does not apply if—
- “(a) The taxpayer receives an income statement due to incorrect information held by the Commissioner; and
- “(b) Section 33A(1) applies to the taxpayer; and
- “(c) The taxpayer has not requested an income statement.”
- (2) Subsection (1) applies to the 1999-2000 and subsequent income years.

**69 Income statement deemed return**

- (1) In section 80G(2), “Except in sections 37 and 38” is replaced by “Except in section 37”.
- (2) Subsection (1) applies to the 1999-2000 and subsequent income years.

**70 Instalments of and due dates for provisional tax**

- (1) In section 120K(4A)(c), “section MB 5(11)” is replaced by “section MB 5A”.
- (2) Section 120K(4B) is replaced by:  
“(4B) A provisional taxpayer to whom subsection (4) applies—  
“(a) Is not liable for use of money interest under section 120D for unpaid tax from the due date for payment of provisional tax under either section MB 5 or section MB 5A until the terminal tax date (both dates inclusive); and  
“(b) Is not entitled to use of money interest under section 120D for overpaid tax from the due date for payment of provisional tax under either section MB 5 or section MB 5A until the terminal tax date (both dates inclusive).  
“(4BA) Subsection (4B) applies to the 1997-98 and subsequent income years, except if a taxpayer has notified the Commissioner in writing or filed a return of income before 23 August 1999 on the basis that section 120K(4B), as it was before the date on which the Taxation (Remedial Matters) Act 1999 received the Royal assent, applied to the taxpayer.”
- (3) Subsection (1) applies on and after the date this Act receives the Royal assent.
- (4) Subsection (2) comes into force on the date this Act receives the Royal assent.

**71 New section inserted**

- (1) After section 120P, the following is inserted:

**“120PA Applying foreign investor tax credit to earlier income year**

If a taxpayer sets off a foreign investor tax credit against its income tax liability for an earlier income year under section LE (4)(b) of the Income Tax Act 1994, the amount set off

does not reduce the taxpayer's tax payable for that year for the purpose of this Part."

- (2) Subsection (1) applies to the 1997-98 and subsequent income years.

## **72 Obligation to pay tax where competent objection lodged**

- (1) After section 128(4), the following is added:

"(5) Part VII applies to interest calculated on deferrable and non-deferrable tax on and after 1 April 1997, irrespective of whether the competent objection or challenge relates to an income year before the 1997-98 income year.

"(6) If the competent objection or challenge relates to the 1996-97 or an earlier income year, interest must be calculated on deferrable or non-deferrable tax on and after the date that the period of deferral starts."

- (2) Subsection (1) applies on and after 1 April 1997.

## **73 Obligation to pay tax during challenge**

- (1) After section 138I(3), the following is added:

"(4) Part VII applies to interest calculated on deferrable and non-deferrable tax on and after 1 April 1997, irrespective of whether the challenge relates to an income year before the 1997-98 income year.

"(5) If the challenge relates to the 1996-97 or an earlier income year, interest must be calculated on deferrable or non-deferrable tax on and after the date that the period of deferral starts."

- (2) Subsection (1) applies on and after 1 April 1997.

## **74 Non-electronic filing penalty**

- (1) Section 139AA(2) is replaced by:

"(2) An employer is liable to a non-electronic filing penalty if the employer furnishes the employer monthly schedule in a format that is not prescribed."

- (2) Subsection (1) applies to employer monthly schedules that must be furnished on and after the date this Act receives the Royal assent.

**75 Refund of tax paid in excess made by direct credit to bank account**

- (1) After section 184A(5), the following is inserted:  
“(6) This section applies to the direct crediting of a type of tax once an Order in Council has been promulgated specifying the date from which the type of tax may be refunded by direct credit”.
- (2) Subsection (1) applies on and after the date this Act receives the Royal assent.

**76 Tax type that may be direct credited to bank account**

- (1) After section 184A, the following is inserted:  
“**184B**  
The Governor-General may, by Order in Council, specify the date from which a type of tax may be refunded by direct credit under section 184A to a bank account nominated by the taxpayer.”
- (2) Subsection (1) applies on and after the date this Act receives the Royal assent.

### **Part 3**

#### **Amendments to Goods and Services Tax Act 1985**

**77 Goods and Services Tax Act 1985**

This Part amends the Goods and Services Tax Act 1985.

**78 Meaning of term financial services**

- (1) In section 3(2), the definition of **life insurance contract** is replaced by:  
“**Life insurance contract** means a contract lawfully entered into to the extent that it places a sum or sums at risk upon the contingency of the termination or continuance of human life, marriage or the birth of a child, but not to the extent that it provides for entitlements under Schedule 1, Part 5 of the Accident Insurance Act 1998 (which relates to entitlements arising from fatal injuries)”.
- (2) Subsection (1) applies on and after 1 April 1999.

**79 Value of supply of goods and services**

- (1) After section 10(16), the following is inserted:  
“(16A) Subsection (16) does not apply to a supply of services described in section 11(2A).”
- (2) After section 10(17), the following is inserted:  
“(17A) Subsection (17) applies to a supply of services described in section 11(2A) which is in exchange for a token, stamp or voucher even if the monetary value of the token, stamp or voucher is stated thereon.”
- (3) Subsections (1) and (2) apply on and after 20 May 1999.

**80 Zero-rating**

- (1) Section 11(2)(d) is replaced by:  
“(d) The services are physically performed outside New Zealand or are the arranging of services that are physically performed outside New Zealand; or”.
- (2) After section 11(2), the following is inserted:  
“(2A) Subsection (2)(e) does not apply to a supply of services under an agreement that is entered into, whether directly or indirectly, with a person (person A) who is not resident in New Zealand if—  
“(a) The performance of the services is, or it is reasonably foreseeable at the time the agreement is entered into that the performance of the services will be, received in New Zealand by another person (person B), including—  
“(i) An employee of person A; or  
“(ii) If person A is a company, a director of the company; and  
“(b) It is reasonably foreseeable, at the time the agreement is entered into, that person B will not receive the performance of the services in the course of making taxable or exempt supplies.  
“(2B) For the purpose of subsection (2)(e) and (2)(fa), **outside New Zealand**, for a company or an unincorporated body that is not resident, includes a minor presence in New Zealand, or a presence that is not effectively connected with the supply.”
- (3) Subsections (1) and (2) apply on and after 20 May 1999.

**Part 4**  
**Amendments to Estate and Gift Duties**  
**Act 1968**

**81 Estate and Gift Duties Act 1968**

This Part amends the Estate and Gift Duties Act 1968.

**82 New section inserted**

(1) After section 75C, the following is inserted:

**“75D Exemption for dispositions by raspberry industry entities**

“(1) This section applies upon the making of regulations to dissolve the New Zealand Raspberry Marketing Council, the Raspberry Marketing Export Authority and the District Raspberry Marketing Committees established under the Raspberry Marketing Regulations 1979.

“(2) In this section, **current grower**, **District Committee** and **grower** have the meaning set out in the Raspberry Marketing Authorities (Dissolution) Regulations 1999.

“(3) When the Raspberry Marketing Authorities (Dissolution) Regulations 1999 are made, the making and coming into force does not constitute a dutiable gift to District Committees, growers or current growers.

“(4) When the Cold Storage Nelson Limited shares owned by the Nelson Raspberry Marketing Committee vest in Rubus Investments Nelson Limited, the vesting does not constitute a dutiable gift to Rubus Investments Nelson Limited.”

(2) Subsection (1) applies on and after the date that the Raspberry Marketing Authorities (Dissolution) Regulations 1999 are made.

**Part 5**  
**Amendments to Income Tax Act 1976**

**83 Income Tax Act 1976**

This Part amends the Income Tax Act 1976.

**84 Interpretation**

(1) This section applies to definitions in section 2.

- (2) In the definition of **portable New Zealand superannuation**, “section 17” is replaced by “section 17, 17B”.
- (3) In the definition of **portable veteran’s pension**, “section 17” is replaced by “section 17, 17B”.
- (4) The definition of **state-owned enterprise** is replaced by: “**State enterprise** means a person specified in the Fourteenth Schedule”.
- (5) Subsections (2) and (3) apply on and after 30 June 1993.
- (6) Subsection (4) applies on and after 19 December 1986.

### **85 Defining when 2 persons are associated persons**

- (1) After section 8(2), the following is added:
  - “(3) This section does not apply to a company that is or was—
    - “(a) A State enterprise; or
    - “(b) A Crown research institute; or
    - “(c) A Crown health enterprise; or
    - “(d) A member of the same group of companies as a company that meets any of paragraphs (a) to (c).”
- (2) Subsection (1) applies on and after 1 July 1994.
- (3) Despite subsection (2), subsection (1) does not apply if a taxpayer has filed a return of income on or before 20 May 1999 on the basis that section 8 applied to the taxpayer.

### **86 Interpretation—Voting and market value interests**

- (1) In section 8B, in the definition of **special corporate entity**, paragraph (c) is replaced by:
  - “(c) Any State enterprise.”
- (2) Subsection (1) applies on and after 19 December 1986.

### **87 Voting interests**

- (1) In section 8C(3)(a)(ii)—
  - (a) “State-owned enterprise” is replaced by “State enterprise”; and
  - (b) “(including a voting interest deemed to arise under paragraph (d))” is added after “rights derived from those shares and options”.
- (2) Subsection (1)(a) applies on and after 19 December 1986.

- (3) Subsection (1)(b) applies to the 1992–93 and subsequent income years.

### **88 Market value interests**

- (1) In section 8D(3)(a)(ii)—
- (a) “State-owned enterprise” is replaced by “State enterprise”; and
  - (b) “(including a market value interest deemed to arise under paragraph (d))” is added after “rights derived from those shares and options”.
- (2) Subsection (1)(a) applies on and after 19 December 1986.
- (3) Subsection (1)(b) applies to the 1992–93 and subsequent income years.

### **89 Profits or gains from land transactions**

- (1) After section 67(3), the following is inserted:
- “(3A) Subsections (2) and (3) do not apply to a company that is or was—
- “(a) A State enterprise; or
  - “(b) A Crown research institute; or
  - “(c) A Crown health enterprise; or
  - “(d) A member of the same group of companies as a company that meets any of paragraphs (a) to (c).”
- (2) Subsection (1) applies on and after 1 July 1994.
- (3) Despite subsection (2), subsection (1) does not apply if a taxpayer has filed a return of income on or before 20 May 1999 on the basis that section 67 applied to the taxpayer.

### **90 Associated persons**

- (1) After section 214E(2), the following is added:
- “(3) This section does not apply to a company that is or was—
- “(a) A State enterprise; or
  - “(b) A Crown research institute; or
  - “(c) A Crown health enterprise; or
  - “(d) A member of the same group of companies as a company that meets any of paragraphs (a) to (c).”
- (2) Subsection (1) applies on and after 1 July 1994.

- (3) Despite subsection (2), subsection (1) does not apply if a taxpayer has filed a return of income on or before 20 May 1999 on the basis that section 214E applied to the taxpayer.

**91 Definition of term associated persons**

- (1) Section 245B is numbered as subsection (1), and the following is added:
- “(2) This section does not apply to a company that is or was—
- “(a) A State enterprise; or
  - “(b) A Crown research institute; or
  - “(c) A Crown health enterprise; or
  - “(d) A member of the same group of companies as a company that meets any of paragraphs (a) to (c).”
- (2) Subsection (1) applies on and after 1 July 1994.
- (3) Despite subsection (2), subsection (1) does not apply if a taxpayer has filed a return of income on or before 20 May 1999 on the basis that section 245B applied to the taxpayer.

**92 Schedule 14—State enterprises**

- (1) In Schedule 14, the heading “State-Owned Enterprises” is replaced by “State Enterprises”.
- (2) Subsection (1) applies on and after 19 December 1986.

**Part 6**

**Amendments to Taxation (Accrual Rules and Other Remedial Matters) Act 1999**

**93 Taxation (Accrual Rules and Other Remedial Matters) Act 1999**

- (1) This Part amends the Taxation (Accrual Rules and Other Remedial Matters) Act 1999.
- (2) Section 55(36)(b) is repealed.
- (3) Section 59(1)(c) is repealed.
- (4) Section 62(1)(h) is repealed.
- (5) Sections 106 and 109 are repealed.
- (6) Subsections (2) to (5) apply on and after 20 May 1999.