



COVID-19 Response (Further Management Measures) Legislation Act (No 2) 2020

Public Act 2020 No 58
Date of assent 6 August 2020
Commencement see section 2

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the COVID-19 Response (Further Management Measures) Legislation Act (No 2) 2020.

2 Commencement

This Act comes into force as follows:

- (a) subpart 1 of Part 2 of Schedule 2 is deemed to have come into force on 17 March 2020:

- (b) subpart 1 of Part 1 of Schedule 2 and subpart 2 of Part 2 of Schedule 2 are deemed to have come into force on 1 July 2020:
- (c) subpart 2 of Part 1 of Schedule 2 comes into force on 1 April 2021:
- (d) the rest of the Act comes into force on the day after the date on which the Act receives the Royal assent.

3 Amendments to enactments

Amend the enactments specified in Schedules 1 to 4 of this Act as set out in those schedules.

Schedule 1

Department of Internal Affairs

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1 Amendments to Local Government Act 2002

This schedule amends the Local Government Act 2002.

2 New section 67A inserted (Extension of time limit for 2019/20 financial year annual reports: COVID-19)

After section 67, insert:

67A Extension of time limit for 2019/20 financial year annual reports: COVID-19

- (1) Despite the time limit in section 67(1), in relation to the financial year ending with 30 June 2020 the board of a council-controlled organisation must comply with section 67(1)(a), (b), and (c) before the close of 30 November 2020.
- (2) This section is repealed on 1 February 2021.

3 New section 98A inserted (Extension of time limit for 2019/20 financial year annual reports: COVID-19)

After section 98, insert:

98A Extension of time limit for 2019/20 financial year annual reports: COVID-19

- (1) Despite the time limit in section 98(3), in relation to the financial year ending with 30 June 2020 a local authority must complete and adopt its annual report before the close of 31 December 2020.
- (2) This section is repealed on 1 February 2021.

Schedule 2

Inland Revenue Department

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Part 1

Income Tax Act 2007

1 Amendments to Income Tax Act 2007

This Part amends the Income Tax Act 2007.

Subpart 1—Provisions commencing on 1 July 2020

2 Section DF 1 amended (Government grants to businesses)

(1) After section DF 1(1)(cb), insert:

(cc) the payment is not an amount of a loan made under the research and development loan scheme; and

(2) In section DF 1, list of defined terms, insert “research and development loan scheme”.

3 Section YA 1 amended (Definitions)

In section YA 1, insert in its appropriate alphabetical order:

research and development loan scheme means the research and development loan scheme established by Ministerial direction to Callaghan Innovation under section 112 of the Crown Entities Act 2004, notice number 2020–go2811

4 Schedule 21B amended (Expenditure or loss for research and development tax credits)

In schedule 21B, part B, clause 21, replace “local authority.” with “local authority. However, this expenditure does not include an amount funded through a loan made under the research and development loan scheme.”

Subpart 2—Provisions commencing on 1 April 2021

5 Section MD 9 amended (Fifth requirement: full-time earner)

(1) In section MD 9(1)(a), replace “full-time earner or derive an amount of compensation described in subsection (4)” with “full-time earner, or derive an amount of compensation described in subsection (4), or not derive income but meet the alternative requirements in subsection (6)”.

(2) After section MD 9(5), insert:

14 day concession

- (6) A person meets the fifth requirement if they do not derive income or otherwise do not meet the fifth requirement, but have met the fifth requirement within the last 14 days.

6 Section MD 10 amended (Calculation of in-work tax credit)

- (1) In section MD 10(3)(d)(i), replace “section MD 9(1)(b)” with “section MD 9(1)(b), and includes whole periods of 1 week to which the alternative requirement in section MD 9(6) applies”.
- (2) In section MD 10(3)(d)(ii), replace “section MD 9(1)(b)” with “section MD 9(1)(b), and includes whole periods of 1 week to which the alternative requirement in section MD 9(6) applies”.

Part 2

Tax Administration Act 1994

7 Amendments to Tax Administration Act 1994

This Part amends the Tax Administration Act 1994.

Subpart 1—Provisions commencing on 17 March 2020

8 Section 6H amended (COVID-19 response: powers to vary provisions of Inland Revenue Acts)

In section 6H(1), replace “extend” with “extend or otherwise modify”.

9 Section 6I amended (COVID-19 response: Commissioner’s variations)

- (1) In section 6I(1)(a), replace “extending” with “extending or otherwise modifying”.
- (2) After section 6I(1), insert:

Meaning of modifying

- (1B) For the purposes of subsection (1), modifying a due date, deadline, time period, or timeframe may include shortening or reducing it if the Commissioner considers it would be advantageous for persons generally or for a particular class of persons.

Subpart 2—Provisions commencing on 1 July 2020

10 Schedule 7 amended (Disclosure rules)

- (1) In schedule 7, part C, subpart 1, after clause 23B(6)(d), insert:
- (e) Callaghan Innovation.
- (2) In schedule 7, part C, subpart 1, replace clause 38(2) with:

- (2) Section 18 does not prevent the Commissioner communicating to an officer, employee, or agent of Callaghan Innovation or of the Ministry of Business, Innovation, and Employment information reasonably necessary for that person to perform their work in relation to—
- (a) the offer of research and development advice and incentives, including tax incentives, grants, loans, and any related measures aimed at incentivising research and development;
 - (b) the grant and administration of a loan made under the research and development loan scheme established by Ministerial direction to Callaghan Innovation under section 112 of the Crown Entities Act 2004, notice number 2020-go2811.

Subpart 3—Provisions commencing on day after date of Royal assent

11 Section 183ABAB amended (Remission for taxpayers affected by COVID-19)

Replace the heading to section 183ABAB with “**Remission of interest for taxpayers affected by COVID-19: general rules**”.

12 New section 183ABAC inserted (Remission of interest on terminal tax for 2020–21 tax year for provisional taxpayers affected by COVID-19)

After section 183ABAB, insert:

183ABAC Remission of interest on terminal tax for 2020–21 tax year for provisional taxpayers affected by COVID-19

- (1) This section applies for a taxpayer who is liable to pay provisional tax for the 2020–21 tax year if—
- (a) the taxpayer, for the 2020–21 tax year,—
 - (i) makes an estimate under section RC 7 of the Income Tax Act 2007 on or before their last instalment date for the 2020–21 tax year; or
 - (ii) makes an election under section RC 10(5) of that Act; or
 - (iii) does not make an election under section RC 10(5) of that Act, but meets the criteria set out in section 120KE(1)(b) to (e); and
 - (b) the taxpayer’s residual income tax for the 2020–21 tax year is less than \$1 million; and
 - (c) the taxpayer is charged with interest under Part 7—
 - (i) on an amount of terminal tax payable for the 2020–21 tax year; and
 - (ii) that begins to accrue before the taxpayer’s terminal tax date for the 2020–21 tax year; and

- (d) the taxpayer's ability to make a reasonably accurate forecast, on 1 or more provisional tax instalment dates for the 2020–21 tax year, of their residual income tax for the 2020–21 tax year was significantly adversely affected by COVID-19 and, as a consequence, the taxpayer failed to pay the relevant portions of the amount by the relevant instalment dates; and
 - (e) the requirement to pay the amount does not arise from an election under section IZ 8 of the Income Tax Act 2007 by the taxpayer, or by a company in the same group of companies as the taxpayer.
- (2) The taxpayer may ask the Commissioner to remit interest accrued between 31 March 2020 and the taxpayer's terminal tax date for the 2020–21 tax year, both dates inclusive (the **interest**), on the amount.
- (3) The Commissioner may remit the interest if the Commissioner is satisfied that the taxpayer—
- (a) asked for the relief as soon as practicable; and
 - (b) has paid their terminal tax for the 2020–21 tax year.
- (4) This section does not limit section 183ABAB.

Schedule 3

Ministry of Business, Innovation, and Employment

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Part 1

Accident Compensation (Experience Rating) Regulations 2019

1 Amendments to Accident Compensation (Experience Rating) Regulations 2019

This Part amends the Accident Compensation (Experience Rating) Regulations 2019.

2 Regulation 5 amended (Tax years to which regulations apply)

(1) In regulation 5(b), replace “2021.” with “2021; and”.

(2) After regulation 5(b), insert:

(c) the tax year starting on 1 April 2021 and ending on 31 March 2022.

3 Regulation 6 amended (Interpretation)

(1) In regulation 6(1), definition of **applicable levy year**, paragraph (b), replace “year” with “year:”.

(2) In regulation 6(1), definition of **applicable levy year**, after paragraph (b), insert:

(c) the 2021/22 levy year

(3) In regulation 6(1), definition of **experience period**, paragraph (b)(iii), replace “Schedule 3)” with “Schedule 3); and”.

(4) In regulation 6(1), definition of **experience period**, after paragraph (b), insert:

(c) in relation to the levy year starting on 1 April 2021 and ending on the close of 31 March 2022, means the period consisting of—

(i) the tax year starting on 1 April 2019 and ending on the close of 31 March 2020 (*see* Schedule 2); and

(ii) the tax year starting on 1 April 2018 and ending on the close of 31 March 2019 (*see* Schedule 2); and

(iii) the tax year starting on 1 April 2017 and ending on the close of 31 March 2018 (*see* Schedule 2)

(5) In regulation 6(1), definition of **minimum liable earnings**, paragraph (b)(iii), replace “\$30,680” with “\$30,680; and”.

(6) In regulation 6(1), definition of **minimum liable earnings**, after paragraph (b), insert:

- (c) in relation to the tax years that form part of the experience period for the applicable levy year starting on 1 April 2021 and ending on the close of 31 March 2022, are as follows:
- (i) for the tax year starting on 1 April 2019 and ending on the close of 31 March 2020, \$32,760:
 - (ii) for the tax year starting on 1 April 2018 and ending on the close of 31 March 2019, \$32,760:
 - (iii) for the tax year starting on 1 April 2017 and ending on the close of 31 March 2018, \$31,720

4 Regulation 15E amended (Calculation of experience period modifier)

- (1) In regulation 15E,—
- (a) delete “where—”; and
 - (b) revoke the definitions of the variables **year 1 tax year modifier**, **year 2 tax year modifier**, and **year 3 tax year modifier**.
- (2) In regulation 15E, insert as subclause (2),—
- (2) In subclause (1),—
- (a) in relation to the levy year starting on 1 April 2020 and ending at the close of 31 March 2021,—
 - year 1 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2016 and ending at the close of 31 March 2017
 - year 2 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2017 and ending at the close of 31 March 2018
 - year 3 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2018 and ending at the close of 31 March 2019; and
 - (b) in relation to the levy year starting on 1 April 2021 and ending at the close of 31 March 2022,—
 - year 1 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2017 and ending at the close of 31 March 2018
 - year 2 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2018 and ending at the close of 31 March 2019
 - year 3 tax year modifier** means the tax year modifier calculated in accordance with regulation 15D for the tax year starting on 1 April 2019 and ending at the close of 31 March 2020.

5 Schedule 2 amended

In the Schedule 2 heading,—

- (a) delete “**and**”; and
- (b) after “**2019**”, insert “, **and 1 April 2019 to 31 March 2020**”.

Part 2**Crown Research Institutes Act 1992****6 Amendment to Crown Research Institutes Act 1992**

This Part amends the Crown Research Institutes Act 1992.

7 New section 17A inserted (Extension of time limit for 2019/20 financial year reports and audits: COVID-19)

After section 17, insert:

17A Extension of time limit for 2019/20 financial year reports and audits: COVID-19

- (1) Despite the time limit in section 17(1), in relation to the financial year ending with 30 June 2020, the information specified in section 17(1) must be delivered to the shareholding Ministers before the close of 30 November 2020.
- (2) This section is repealed on 1 December 2020.

Schedule 4

Treasury

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Part 1

Crown Entities Act 2004

1 Amendment to Crown Entities Act 2004

This Part amends the Crown Entities Act 2004.

2 Section 156 amended (Audit report)

After section 156(2), insert:

*Extension of time limits for 2019/20 financial year reports and audits:
COVID-19*

- (3) Despite the time limits in subsections (1)(a) and (2)(b), in relation to the financial year ending with 30 June 2020,—
- (a) the information specified in subsection (1)(a) must be forwarded to the Auditor-General no later than the close of 20 November 2020; and
- (b) the audit report referred to in subsection (2)(b) must be provided by the Auditor-General no later than the close of 18 December 2020.
- (4) Subsection (3), the heading above it, and this subsection are repealed at the close of 30 June 2021.

Part 2

Public Finance Act 1989

3 Amendments to Public Finance Act 1989

This Part amends the Public Finance Act 1989.

4 New section 19BA inserted (Extension of time limits for 2019/20 financial year information: COVID-19)

After section 19B, insert:

19BA Extension of time limits for 2019/20 financial year information: COVID-19

- (1) Despite the time limits in section 19B, in relation to the financial year ending with 30 June 2020, the information specified in section 19B(2) must be—
- (a) prepared as required by section 19B(2)(a) no later than the close of 21 December 2020; and

- (b) presented as required by section 19B(2)(b) no later than the close of 21 December 2020 or a later date allowed under section 19B(3); and
 - (c) published as required by section 19B(4) as soon as practicable after it is presented, or, if section 19(3) applies, not later than the close of 21 December 2020.
- (2) This section is repealed at the close of 30 June 2021.

5 New section 26NAAA inserted (Extension of time limit for 2020 statement: COVID-19)

After section 26N, insert:

26NAAA Extension of time limit for 2020 statement: COVID-19

- (1) This section applies in relation to the statement on the long-term fiscal position that, but for this section, would be required to be prepared and presented under section 26N before 22 November 2020 (the **2020 statement**).
- (2) Despite section 26N, the 2020 statement—
 - (a) must be prepared and presented not later than the close of 30 September 2021; and
 - (b) must relate to a period commencing with the 2020/21 financial year (even if it is prepared or presented after the end of that year).
- (3) This section is repealed on 1 October 2021.

6 New section 44A inserted (Extension of time limits for 2019/20 financial year: COVID-19)

After section 44, insert:

44A Extension of time limits for 2019/20 financial year: COVID-19

- (1) Despite the time limit in paragraph (b) of the definition of specified date in section 44(6), in relation to the financial year ending with 30 June 2020, the specified date for a department to which that paragraph applies is 31 October 2020.
- (2) This section is repealed at the close of 30 June 2021.

7 New section 45DA inserted (Extension of time limits for 2019/20 financial year reports and audits: COVID-19)

After section 45D, insert:

45DA Extension of time limits for 2019/20 financial year reports and audits: COVID-19

- (1) Despite the time limits in section 45D, in relation to the financial year ending with 30 June 2020,—

- (a) the statements and information specified in section 45D(1)(a) and (1A) must be forwarded to the Auditor-General not later than the close of 31 October 2020; and
 - (b) the audit report referred to in section 45D(2)(b) must be provided by the Auditor-General not later than the close of 30 November 2020.
- (2) This section is repealed at the close of 30 June 2021.

Part 3

State-Owned Enterprises Act 1986

8 Amendment to State-Owned Enterprises Act 1986

This Part amends the State-Owned Enterprises Act 1986.

9 New section 15A inserted (Extension of time limit for 2019/20 financial year reports and audits: COVID-19)

After section 15, insert:

15A Extension of time limit for 2019/20 financial year reports and audits: COVID-19

- (1) Despite the time limit in section 15(1), in relation to the financial year ending with 30 June 2020, the information specified in section 15(1) must be delivered to the shareholding Ministers before the close of 30 November 2020.
- (2) This section is repealed at the close of 30 June 2021.

Legislative history

4 August 2020

Introduction (Bill 318–1), first reading, second reading,
committee of the whole House, third reading

6 August 2020

Royal assent

This Act is administered by the Department of the Prime Minister and Cabinet.