

Taxation (Income Tax Rate and Other Amendments) Bill

Government Bill

Explanatory note

General policy statement

This Bill introduces amendments to the following legislation:

- Income Tax Act 2007:
- Tax Administration Act 1994.

The policy proposals in this Bill are aimed at implementing the commitment in the New Zealand Labour Party's manifesto for the 2020 general election to introduce a new top personal income tax rate of 39% on annual income that exceeds \$180,000. The objective for this policy is to raise revenue to allow the Government to continue providing public services and manage debt while supporting New Zealand's economic recovery, in a way that increases the progressivity of the tax system.

The Bill also sets the minimum family tax credit threshold for the 2020–21 and later tax years, a tax credit aimed at providing financial support to low-income working families.

New top personal tax rate

This Bill introduces a new personal income tax rate of 39% on annual income over \$180,000. The new rate applies for the 2021–22 and later income years.

Aside from amending basic income tax rates, the Bill amends a number of tax rules to incorporate the new top personal rate to 39%, including:

- PAYE rules (new secondary earnings and extra pay codes):
- fringe benefit tax (FBT):
- resident withholding tax (RWT) on interest:
- employer's superannuation contribution tax (ESCT):
- residential land withholding tax (RLWT):

- retirement scheme contribution tax (RSCT):
- the taxable Māori authority distributions non-declaration rate.

The consequential changes to the PAYE rules, FBT, ESCT, RLWT, RSCT, and the taxable Māori authority distributions non-declaration rate will apply from 1 April 2021. The higher RWT rate on interest will take effect from 1 October 2021 to ensure that interest payers are able to implement the required systems changes.

Strengthening information-gathering rules

This Bill introduces a clarifying amendment to ensure that the Commissioner of Inland Revenue can collect information solely for tax policy development purposes. Having access to information is critical to providing good tax policy advice.

This Bill also introduces a new information-gathering measure to collect further information from trustees in order to gain insight into whether the top personal rate of 39% is working effectively and to provide better information to understand and monitor the use of structures and entities by trustees.

Minimum family tax credit

The policy proposals in this Bill set the minimum family tax credit (MFTC) threshold for the 2020–21 and later tax years. It is being increased from \$27,768 per annum to \$29,432 per annum to account for the \$25 per week increase in main benefits made in 2020.

Departmental disclosure statement

Inland Revenue is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2020&no=2>

Regulatory impact assessment

Inland Revenue produced a regulatory impact assessment on 18 November 2020 to help inform the main policy decisions taken by the Government relating to the contents of this Bill, other than setting the MFTC threshold.

A copy of this regulatory impact assessment can be found at—

- <https://taxpolicy.ird.govt.nz/publications/type/regulatory-impact-assessment>
- <https://www.treasury.govt.nz/publications/legislation/regulatory-impact-assessments>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause.

Part 1

Income tax rate amendments

Clause 3 provides the application date for the clauses in Part 1, except clauses 19 and 20.

Amendments to Income Tax Act 2007

Clause 4 sets out the clauses that affect the Income Tax Act 2007.

Clauses 5 and 6 amend sections RD 10 and RD 17 to ensure that the new income tax rate may apply appropriately for extra pays under the PAYE rules.

Clauses 7 to 13 amend sections RD 50, RD 52, RD 53, RD 58, RD 59, RD 60, and RD 61 to ensure that the new income tax rate may apply appropriately for FBT.

Clause 14 amends section RD 67 to ensure that the new income tax rate may apply appropriately for ESCT.

Clause 15 amends section RL 4 to ensure that the new income tax rate may apply appropriately for RLWT.

Clause 16 amends schedule 1, part A, table 1 to ensure that the new income tax rate of 39% applies to a person's taxable income upwards of \$180,000.

Clause 17 amends schedule 1, part C, table 1 to ensure that the new income tax rate may apply appropriately for FBT.

Clause 18 amends schedule 1, part D, table 1 to ensure that the new income tax rate may apply appropriately for ESCT.

Clauses 19 and 20 amend schedule 1, part D, tables 2 and 3 to ensure that the new income tax rate may apply appropriately for RWT.

Clause 21 amends schedule 1, part D, table 4 to ensure that the new income tax rate may apply appropriately for the taxable Māori authority distributions non-declaration rate.

Clause 22 amends schedule 1, part D, table 5 to ensure that the new income tax rate may apply appropriately for RSCT.

Clause 23 amends schedule 2, part A to ensure that the new income tax rate may apply appropriately for the PAYE rules using a new tax code.

Clause 24 amends schedule 2, part B, table 1 to ensure that the new income tax rate may apply appropriately for extra pays under the PAYE rules.

Clause 25 amends schedule 6, table 2 to ensure that the new income tax rate may apply appropriately in relation to a retirement scheme contribution made for a person.

Amendments to Tax Administration Act 1994

Clause 26 sets out the clauses that affect the Tax Administration Act 1994.

Clause 27 amends section 28C to ensure that the new income tax rate may appropriately apply for the retirement scheme prescribed rate for a person.

Clause 28 amends section 48B to ensure tax file numbers are appropriately reported for retirement scheme contributions.

Clause 29 amends schedule 4, table 1 as a consequential cross-reference matter for the new income tax rate.

Clause 30 amends schedule 5, part A, clause 1 to ensure that the new income tax rate may apply appropriately for the PAYE rules using a new tax code.

Clause 31 amends schedule 5, part A, tax code table, row 6 to ensure that the new income tax rate may apply appropriately for the PAYE rules using a new tax code.

Part 2 Other amendments

Amendments to Tax Administration Act 1994

Clause 32 sets out the clauses that affect the Tax Administration Act 1994.

Clause 33 inserts *new section 17GB* to clarify that the Commissioner can issue an information demand for a purpose relating to the development of policy for the improvement or reform of the tax system.

Clause 34 repeals section 59(3), which imposes an obligation on a trustee to make a return of income for the trust.

Clause 35 inserts *new sections 59BA and 59BAB*. *New section 59BA(1)* requires a trustee to make a return of income for the trust and corresponds to the former section 59(3). *Subsection (2)* gives details of the information that a trustee is required to provide. *Subsection (3)* provides for exceptions to the obligation for the trustees of some trusts. *Subsection (4)* provides that a New Zealand resident settlor is responsible for ensuring that the obligations imposed by the section are met if the trustee is a non-resident. *New section 59BAB* gives a power to the Commissioner to require trustees to provide information for income years after the 2013–14 income year and before the 2021–22 income year. *Subsection (3)* provides that a New Zealand resident settlor is responsible for ensuring that the obligations imposed by the section are met if the trustee is a non-resident.

Amendments to Income Tax Act 2007

Clause 36 sets out the clauses that affect the Income Tax Act 2007.

Clause 37 amends section ME 1(3)(a) to increase the MFTC threshold from \$27,768 per annum to \$29,432 per annum to account for the \$25 per week increase in main benefits made in 2020.

Clause 38 inserts a cross-reference to *new sections 59BA and 59BAB* of the Tax Administration Act 1994 into the definition of *trust rules*.

Hon David Parker

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Amendments to Income Tax Act 2007

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Taxation (Income Tax Rate and Other Amendments) Act **2020**.

2 Commencement

- (1) This Act comes into force on the date on which it receives the Royal assent, except as provided in this section. 5
- (2) **Section 37** comes into force on 1 April 2020.
- (3) **Part 1**, except **sections 19 and 20**, comes into force on 1 April 2021.
- (4) **Sections 19 and 20** come into force on 1 October 2021.

Part 1 10

Income tax rate amendments

3 Application

This Part, except **sections 19 and 20**, applies for the 2021–22 and later income years.

Amendments to Income Tax Act 2007 15

4 Income Tax Act 2007

Sections 5 to 25 amend the Income Tax Act 2007.

5 Section RD 10 amended (Amounts of tax for PAYE income payments)

- (1) Replace section RD 10(2), other than the heading, with:
- (2) An employee who notifies their employer of their tax code may choose to have the amount of tax for an extra pay fixed as follows: 20
 - (a) for an employee whose taxable income for the income year is expected to be not more than \$48,000, the rate set out in **schedule 2, part B, table 1, row 3**; or
 - (b) for an employee whose taxable income for the income year is expected to be not more than \$70,000, the rate set out in **schedule 2, part B, table 1, row 4**; or 25

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- (c) for an employee whose taxable income for the income year is expected to be not more than \$180,000, the rate set out in **schedule 2, part B, table 1, row 5**
- (d) for other employees, the rate set out in **schedule 2, part B, table 1, row 6**. 5
- (2) In section RD 10(2C), replace “row 1B” with “**row 1**”.
- (3) In section RD 10(2D), replace “row 5” with “**row 7**”.
- 6 Section RD 17 amended (Payment of extra pay with other PAYE income payments)**
- (1) Replace section RD 17(2), other than the heading, with: 10
- (2) For the sum of the amounts referred to in subsection (1) listed in the following paragraphs, the amount of tax for the extra pay that must be withheld is the amount determined using the basic amounts of tax for PAYE income payments set out in the relevant row of **schedule 2, part B, table 1** (Basic tax rates for PAYE income payments): 15
- (a) if the sum of the amounts is \$14,000 or less, the amount determined by applying **row 2**:
- (b) if the sum of the amounts is more than \$14,000 but not more than \$48,000, the amount determined by applying **row 3**:
- (c) if the sum of the amounts is more than \$48,000 but not more than \$70,000, the amount determined by applying **row 4**: 20
- (d) if the sum of the amounts is more than \$70,000 but not more than \$180,000, the amount determined by applying **row 5**:
- (e) if the sum of the amounts is more than \$180,000, the amount determined by applying **row 6**. 25
- (2) In section RD 17(3), replace “rows 3 to 6” with “rows 3 to **6B**”.
- (3) In section RD 17(4)(c)(iv), replace “\$70,001.” with “\$70,001:”.
- (4) After section RD 17(4)(c)(iv), insert:
- (v) for secondary code SA, \$180,001.
- 7 Section RD 50 amended (Employer’s liability for attributed benefits)** 30
- (1) In section RD 50(4), replace “42.86” with “49.25”.
- (2) In section RD 50(5), replace “49.25” with “63.93”.
- 8 Section RD 52 amended (Calculation for certain employees when information lacking)**
- (1) In section RD 52(3)(a), replace “42.86” with “49.25”. 35
- (2) In section RD 52(3)(b), replace “49.25” with “63.93”.

- 9 Section RD 53 amended (Pooling non-attributed benefits)**
- (1) In section RD 53(4)(a), replace “49.25” with “63.93”.
- (2) In section RD 53(4)(b), replace “42.86” with “49.25”.
- 10 Section RD 58 amended (Single rate option)**
In section RD 58(1) replace “49.25” with “63.93”. 5
- 11 Section RD 59 amended (Alternate rate option)**
- (1) In section RD 59(2), replace “43” with “49.25”.
- (2) In section RD 59(3),—
- (a) replace “49.25” with “63.93”;
- (b) replace “43” with “49.25”. 10
- 12 Section RD 60 amended (Close company option)**
In section RD 60(3)(a), replace “49.25” with “63.93”.
- 13 Section RD 61 amended (Small business option)**
In section RD 61(3)(a), replace “49.25” with “63.93”.
- 14 Section RD 67 amended (Calculating amounts of tax for employer’s superannuation cash contributions)** 15
- (1) In section RD 67(b), in the words before the subparagraphs, replace “33” with “39”.
- (2) In section RD 67(b)(ii), replace “33” with “39”.
- 15 Section RL 4 amended (How much RLWT?)** 20
In section RL 4(3)(a), replace “row 4” with “**row 5**”.
- 16 Schedule 1, part A, table 1 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)**
Replace schedule 1, part A, table 1 with:

Table 1

Row	Range of dollar in taxable income	Tax rate
1	\$0 – \$14,000	0.105
2	\$14,001 – \$48,000	0.175
3	\$48,001 – \$70,000	0.300
4	\$70,001 – \$180,000	0.330
5	\$180,001 upwards	0.390

How to use this table: Find the range in the second column for each dollar in the person’s taxable income, and apply the relevant rate for the dollar in the third column.

17 Schedule 1, part C, table 1 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

Replace schedule 1, part C, table 1 with:

Table 1

Row	Range of dollar in all-inclusive pay	Tax rate
1	\$0 – \$12,530	0.1173
2	\$12,531 – \$40,580	0.2121
3	\$40,581 – \$55,980	0.4286
4	\$55,981 – \$129,680	0.4925
5	\$129,681 upwards	0.6393

How to use this table: Find the range in the second column for each dollar in the person's all-inclusive pay under section RD 51, and apply the relevant rate for the dollar in the third column.

18 Schedule 1, part D, table 1 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

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Replace schedule 1, part D, table 1 with:

Table 1

Row	ESCT rate threshold amount	Tax rate
1	\$0 – \$16,800	0.105
2	\$16,801 – \$57,600	0.175
3	\$57,601 – \$84,000	0.300
4	\$84,001 – \$216,000	0.330
5	\$216,001 upwards	0.390

How to use this table: Find the range in the second column for the last dollar of the ESCT rate threshold amount, and apply the relevant rate in the third column.

19 Schedule 1, part D, table 2 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

Replace schedule 1, part D, table 2 with:

Table 2

Row	Conditions	Payment rate
1	The payer of the interest has not been supplied with the tax file number of a person who is paid the interest.	0.450
2	The payer of the interest—	
	(a) has been supplied with the tax file number of a person; and	
	(b) has not received a payment rate election from the recipient of the interest; and	
	(c) is not required to use a rate notified by the Commissioner under section 26B of the Tax Administration Act 1994.	0.390
3	The payer of the interest—	

Row	Conditions	Payment rate
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.390 payment rate.	0.390
4	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.330 payment rate.	0.330
5	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.300 payment rate.	0.300
6	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.175 payment rate.	0.175
7	The payer of the interest—	
	(a) has been supplied with the tax file number of a person, other than a trustee, who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.105 payment rate; and	
	(c) the recipient has a reasonable expectation at the time of the election that their income for the income year will be \$14,000 or less.	0.105
8	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest as a trustee of a testamentary trust to which section HC 37 applies; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.105 payment rate.	0.105

How to use this table: Find the applicable condition in the second column, in order to find the relevant rate to apply, in the third column.

20 Schedule 1, part D, table 3 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

Replace schedule 1, part D, table 3 with:

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Table 3

Row	Conditions	Payment rate
1	The payer of the interest has been supplied with the tax file number of a person who is paid the interest, and neither of rows 2 and 3 apply.	0.280
2	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.330 payment rate.	0.330
3	The payer of the interest—	
	(a) has been supplied with the tax file number of a person who is paid the interest; and	
	(b) has received a payment rate election from the recipient of the interest choosing the 0.390 payment rate.	0.390
4	The payer of the interest has not been supplied with the tax file number of a person who is paid the interest	0.450

How to use this table: Find the applicable condition in the second column, in order to find the relevant rate to apply, in the third column.

21 Schedule 1, part D, table 4 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

- (1) In schedule 1, part D, table 4, row 1, replace “0.33” with “0.390”.
- (2) In schedule 1, part D, table 4, row 2 replace “0.33” with “0.390”.

22 Schedule 1, part D, table 5 amended (Basic tax rates: income tax, ESCT, RSCT, RWT, and attributed fringe benefits)

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Replace schedule 1, part D, table 5 with:

Table 5

Row	Conditions	Payment rate
1	The person responsible for withholding RSCT—	
	(a) has been notified under section 28C of the Tax Administration Act 1994 that 10.5 cents in the dollar is the person’s retirement scheme prescribed rate; and	
	(b) has been supplied with the tax file number of the person.	0.105
2	The person is a non-resident and a distribution of no more than \$200 is made to them by a retirement scheme contributor that is a Maori authority.	0.105
3	The person responsible for withholding RSCT—	
	(a) has been notified under section 28C of the Tax Administration Act 1994 that 17.5 cents in the dollar is	

Row	Conditions	Payment rate
	equal to or greater than the person’s retirement scheme prescribed rate; and	
	(b) has been supplied with the tax file number of the person.	0.175
4	The person responsible for withholding RSCT—	
	(a) has been notified under section 28C of the Tax Administration Act 1994 that 30 cents in the dollar is equal to or greater than the person’s retirement scheme prescribed rate; and	
	(b) has been supplied with the tax file number of the person.	0.300
5	The person responsible for withholding RSCT—	
	(a) has been notified under section 28C of the Tax Administration Act 1994 that 33 cents in the dollar is equal to or greater than the person’s retirement scheme prescribed rate; and	
	(b) has been supplied with the tax file number of the person.	0.330
6	When none of rows 1 to 5 apply.	0.390

How to use this table: Find the applicable condition in the second column, in order to find the relevant rate to apply, in the third column.

23 Schedule 2, part A amended (Basic tax rates for PAYE income payments)

After schedule 2, part A, clause 6, insert:

6B “SA” tax code

If an employee has notified their employer that the employee’s tax code is “SA” under section 24C of the Tax Administration Act 1994, the basic tax rate amount for a payment of secondary employment earnings is set by applying the rate of 0.390 for each dollar of the payment.

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24 Schedule 2, part B, table 1 amended (Basic tax rates for PAYE income payments)

Replace schedule 2, part B, table 1 with:

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Table 1

Row	Conditions	Tax rate
1	Section RD 10(2C) applies.	0.105
2	Section RD 17(2)(a) applies and the sum is \$14,000 or less.	0.105
3	Section RD 10(2)(a) or RD 17(2)(b) applies.	0.175
4	Section RD 10(2)(b) or RD 17(2)(c) applies.	0.300
5	Section RD 10(2)(c) or RD 17(2)(d) applies.	0.330
6	Section RD 10(2)(d) or RD 17(2)(e) applies.	0.390
7	Section RD 10(2D) applies.	0.450

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Row	Conditions	Tax rate
How to use this table: Find the applicable condition in the second column, in order to find the relevant rate to apply, in the third column.		

25 Schedule 6, table 2 amended (Prescribed rates: PIE investments and retirement scheme contributions)

Replace schedule 6, table 2 with:

Table 2

Row	Conditions	Prescribed rate
1	For a person other than a person described in any of rows 2 to 8 .	0.390
2	For a person who, in either of the 2 income years before the income year in which the contribution is made, derives more than \$70,000 but not more than \$180,000 in taxable income.	0.330
3	For a person who is not a person described in row 2 and who, in either of the 2 income years before the income year in which the contribution is made, derives more than \$48,000 but not more than \$70,000 in taxable income.	0.300
4	For a person who is not a person described in row 2 or 3 and who, in either of the 2 income years before the income year in which the contribution is made, derives more than \$14,000 but not more than \$48,000 in taxable income.	0.175
5	For a person who is not a person described in row 2, 3, or 4 and who, in either of the 2 income years before the income year in which the contribution is made, derives taxable income of \$14,000 or less.	0.105
6	For a non-resident person to whom a distribution of no more than \$200 is made by a retirement scheme contributor that is a Maori authority.	0.105
7	For a non-resident person who supplies a retirement scheme contributor that is a Maori authority with a notice under section 28C of the Tax Administration Act 1994.	0.105
8	For a non-resident person in relation to a contribution that consists of non-resident passive income.	0.000
How to use this table: Find the applicable condition in the second column, in order to find the relevant rate to apply, in the third column.		

Amendments to Tax Administration Act 1994

26 Tax Administration Act 1994

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Sections 27 to 31 amend the Tax Administration Act 1994.

27 Section 28C amended (Person advising retirement savings scheme of retirement scheme prescribed rate)

In section 28C, replace “33” with “39”.

- 28 Section 48B amended (Reconciliation statement for retirement scheme contribution withholding tax)**
In section 48B(2)(m), replace “33” with “39”.
- 29 Schedule 4, table 1 amended (Reporting of employment information)**
In schedule 4, table 1, row 4, item e, replace “row 2” with “**row 3**”. 5
- 30 Schedule 5, part A, clause 1 amended (Certain tax codes and rates)**
In schedule 5, part A, clause 1(3), replace “rows 3 to 6” with “rows 3 to **6B**”.
- 31 Schedule 5, part A, tax code table amended (Certain tax codes and rates)**
Replace schedule 5, part A, tax code table, row 6 with:

6	ST	for secondary employment earnings for an employee whose total PAYE income payments are more than \$70,000 but not more than \$180,000
6B	SA	for secondary employment earnings for an employee whose total PAYE income payments are more than \$180,000

Part 2 10
Other amendments

Amendments to Tax Administration Act 1994

- 32 Tax Administration Act 1994**
Sections 33 to 35 amend the Tax Administration Act 1994.
- 33 New section 17GB inserted (Commissioner may require information or production of documents for tax policy development)** 15
Insert after section 17G:
- 17GB Commissioner may require information or production of documents for tax policy development**
A person must, when notified by the Commissioner in an information demand, provide any information that the Commissioner considers relevant for a purpose relating to the development of policy for the improvement or reform of the tax system. 20
- 34 Section 59 amended (Disclosure of trust particulars)**
Repeal section 59(3). 25
- 35 New sections 59BA and 59BAB inserted**
(1) After section 59, insert:

59BA Annual return for trusts

- (1) A trustee of a trust must file a return for a tax year of all income derived in the corresponding income year by the trustee as trustee of the trust, together with the other information required under this section.
- (2) A return of income and the information required under this section for a trustee and a tax year must be in the form prescribed by the Commissioner and include—
- (a) a statement of profit or loss and a statement of financial position:
 - (b) the amount, and nature, of each settlement that—
 - (i) is not the provision to the trustee, at less than market value, of minor services incidental to the activities of the trust; and
 - (ii) is made on the trust in the income year:
 - (c) the name, date of birth, jurisdiction of tax residence, and tax file number and taxpayer identification number, of each settlor who makes a settlement on the trust in the income year or whose details have not previously been supplied to the Commissioner:
 - (d) for each distribution made by the trustee of the trust in the income year,—
 - (i) the amount of the distribution:
 - (ii) the name, date of birth, jurisdiction of tax residence, and tax file number and taxpayer identification number, of the beneficiary who receives the distribution:
 - (e) the name, date of birth, jurisdiction of tax residence, and tax file number and taxpayer identification number, of each person having a power under the trust to appoint or dismiss a trustee, to add or remove a beneficiary, or to amend the trust deed:
 - (f) the other information required by the Commissioner.
- (3) A trustee of a trust is not required to file a return or provide information under **subsection (1)** if—
- (a) the trustee is excluded from the requirement to make a return by section 43B (which relates to non-active trusts):
 - (b) the trustee is required to make a return by section 59D (which relates to foreign trusts):
 - (c) the trustees of the trust are incorporated as a board under the Charitable Trusts Act 1957:
 - (d) the trustee is eligible under section HF 2 of the Income Tax Act 2007 to choose under section HF 11 of that Act to become a Maori authority.

- (4) If the trustee of a trust is a non-resident, a settlor of the trust who is a New Zealand resident is responsible for ensuring the performance of the obligations imposed on the trustee by this section.

59BAB Commissioner may require trust information for period after 2013–14 income year

- (1) The Commissioner may require a trustee of a trust to provide, in the prescribed form and by the specified date, information that—
- (a) relates to the trust and a period beginning after the end of the 2013–14 income year and ending before the beginning of the 2021–22 income year; and
 - (b) would be required to be provided under **section 59BA** if the period began after the end of the 2020–21 income year; and
 - (c) is in the knowledge, possession, or control of the trustee.
- (2) The Commissioner may issue a notice requiring the trustee of each trust having the characteristics specified in the notice to provide, in the prescribed form and by the specified date, information—
- (a) that is described in **subsection (1)** and is specified in the notice; and
 - (b) is for each period that is specified in the notice and begins after the end of the 2013–14 income year and ends before the beginning of the 2021–22 income year.
- (3) If the trustee of a trust is a non-resident, a settlor of the trust who is a New Zealand resident is responsible for ensuring the performance of the obligations imposed on the trustee by this section.
- (4) A notice under **subsection (2)** is secondary legislation under the Legislation Act 2019.
- (2) **Subsection (1)** applies for the 2021–22 and later income years.

Amendments to Income Tax Act 2007

36 Income Tax Act 2007

Sections 37 and 38 amend the Income Tax Act 2007.

37 Section ME 1 amended (Minimum family tax credit)

- (1) In section ME 1(3)(a), replace “\$27,768” with “\$29,432”.
- (2) **Subsection (1)** applies for the 2020–21 and later tax years.

38 Section YA 1 amended (Definitions)

In section YA 1, definition of **trust rules**, paragraph (h), replace “59” with “59, **59BA, 59BAB**”.