



## **Taxation (Thresholds for Community Housing Entities) Regulations 2016**

Hon Sir William Young, Administrator of the Government

### **Order in Council**

At Wellington this 26th day of September 2016

Present:

His Excellency the Administrator of the Government in Council

These regulations are made under section 225D(1) and (3) of the Tax Administration Act 1994 on the advice and with the consent of the Executive Council and on the combined recommendation of the Minister of Revenue and the Minister for Housing.

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### **Regulations**

- 1 Title**  
These regulations are the Taxation (Thresholds for Community Housing Entities) Regulations 2016.
- 2 Commencement**  
These regulations are deemed to have come into force on 1 August 2016.

**3 Schedule 34 of Income Tax Act 2007 amended**

- (1) This regulation amends Schedule 34 of the Income Tax Act 2007.
- (2) In clause 1(1), replace “\$80,000” with “\$85,000”.
- (3) In clause 1(2), replace “\$120,000” with “\$130,000”.
- (4) In clause 2(2)(a), replace “\$110,000” with “\$120,000”.
- (5) In clause 2(2)(b), replace “\$90,000” with “\$100,000”.
- (6) In clause 2(2)(c), replace “\$70,000” with “\$80,000”.

Michael Webster,  
Clerk of the Executive Council.

**Explanatory note**

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

These regulations, which are deemed to have come into force on 1 August 2016, increase the value of income and asset thresholds in clauses 1 and 2(2) of Schedule 34 of the Income Tax Act 2007 (the **Act**). The increased thresholds align with changes to the eligibility criteria for the KiwiSaver HomeStart grant that took effect on 1 August 2016.

The thresholds are relevant to the definition of community housing entity set out in section CW 42B of the Act. Section CW 42B provides that income derived by a community housing entity is exempt income under the Act. Among other things, whether a trustee or company (an **entity**) whose activities involve the provision of housing or housing assistance is a community housing entity will depend on the income and assets of people who become clients or beneficiaries of that entity on or after 14 April 2014. If more than 15% of those people have an income or assets that exceed the relevant thresholds (measured on the date a person becomes a client or beneficiary), the entity will not be a community housing entity under section CW 42B of the Act.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 29 September 2016.

These regulations are administered by the Inland Revenue Department.