

House of Representatives

Supplementary Order Paper

Tuesday, 21 July 2020

Child Support Amendment Bill

Proposed amendments

Hon Stuart Nash, in Committee, to move the following amendments:

Clause 42 replaced

Replace *clause 42* (page 17, lines 17 to 23) with:

42 Section 134 amended (Penalties for late payment of financial support debts)

- (1) In section 134(1),—
 - (a) in the heading, delete “*(initial and incremental)*”:
 - (b) in the words before the paragraphs, replace “(2), (3), (4), (5), or (6)” with “(2) or (3)”.
- (2) Replace section 134(2) with:

Late payment penalty: due date
- (2) At the expiry of the due date, the penalty is an amount equal to 2% of the amount of financial support remaining unpaid at the expiry of the due date.
- (3) In section 134(3),—
 - (a) in the heading, replace “*Initial late payment penalty: seventh*” with “*Late payment penalty: 27th*”:
 - (b) replace “seventh” with “27th”.
- (4) Repeal section 134(4), (5), and (6).

New clauses 43A, 43B, 43C, 43D, 43E, 43F, and 43G inserted

After *clause 43* (page 18, after line 5), insert:

43A Section 134B amended (Act’s provisions on liable person’s financial support debt also apply to payees’ debts arising from overpayments)

In section 134B, replace “135N” with “135G”.

43B Section 135 replaced (Interpretation for purposes of sections 135AA to 135O)

Replace section 135 with:

135 Interpretation for purposes of sections 135A to 135G

For the purposes of **sections 135A to 135G**, unless the context otherwise requires,—

penalty means a penalty that is imposed under section 134, excluding a pre-2021 penalty:

pre-2021 penalty means a penalty that is imposed under section 134 before 1 April 2021.

43C Cross-heading before section 135A and section 135A replaced

Replace the cross-heading before section 135A and section 135A with:

Discretionary relief in respect of penalties and pre-2021 penalties

135A Application of sections 135AB to 135G

- (1) Sections 135AB to 135G apply in relation to a penalty or pre-2021 penalty that is payable by a liable person in relation to a financial support debt.
- (2) The Commissioner may grant relief to a liable person on any of the grounds specified in sections 135AB to 135G by—
 - (a) writing off the whole or part of a penalty or pre-2021 penalty; or
 - (b) if a penalty or pre-2021 penalty has been paid, in whole or in part, refunding to the liable person the whole or any part of that penalty or pre-2021 that has been paid, with or without the writing off of any part of that penalty or pre-2021 penalty that has not been paid.

43D New section 135AB inserted (Discretionary relief for pre-2021 penalties)

After section 135A, insert:

135AB Discretionary relief for pre-2021 penalties

The Commissioner may grant relief to a liable person from the payment of pre-2021 penalties in the manner prescribed by section 135A if the Commissioner is satisfied that it would be fair and reasonable to grant relief.

43E Section 135FA repealed (Discretionary relief from incremental penalties unpaid before agreement entered into on or after 1 April 2016)

Repeal section 135FA.

43F Section 135G amended (Discretionary relief from payment of incremental penalties)

- (1) In the heading to section 135G, replace “from payment of incremental penalties” with “if serious hardship”.
- (2) Replace section 135G(1) with:
 - (1) The Commissioner may grant relief to a liable person from the payment of penalties in the manner prescribed by section 135A if the Commissioner is satisfied that recovery of the penalties would place the liable person in serious hardship.
- (3) In section 135G(2), delete “(b)(i)”.
- (4) In section 135G(3), in the words before the paragraphs, replace “sections 135GA and” with “section”.

43G Sections 135GA to 135N repealed

Repeal sections 135GA to 135N, including the cross-headings above sections 135GB and 135J.

Clause 44 deleted

Delete *clause 44* (page 18, lines 6 to 11).

New clause 44A inserted

Before *clause 45* (page 18, before line 12), insert:

44A Section 135O amended (Refunds paid out of Crown Bank Account without further appropriation)

In section 135O, replace “135N” with “135G”.

Explanatory note

This Supplementary Order Paper repeals child support incremental penalties and simplifies the rules for writing off child support penalties.

Departmental disclosure statement

The Inland Revenue is required to prepare a disclosure statement to assist with the scrutiny of this Supplementary Order Paper. The disclosure statement provides access to information about any material policy changes to the Bill and identifies any new significant or unusual legislative features of the Bill as amended.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=sop&subtype=government&year=2020&no=538&>