

# House of Representatives

# Supplementary Order Paper

Wednesday, 2 December 2020

## Taxation (Income Tax Rate and Other Amendments) Bill

### *Proposed amendment*

Andrew Bayly, in Committee, to move the following amendment:

*New clauses 15B and 15C*

After *clause 15* (page 5, after line 21), insert:

#### **15B Section YA 1 amended (Definitions)**

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

**specified dollar range** means the dollar ranges set out in the identified rows in the following tables:

- (a) row 5 (and the upper limit of the range in row 4) of schedule 1, part A, table 1:
- (b) row 5 (and the upper limit of the range in row 4) of schedule 1, part C, table 1:
- (c) row 5 (and the upper limit of the range in row 4) of schedule 1, part D, table 1

#### **15C New sections YA 2B and YA 2C inserted**

After section YA 2, insert:

#### **YA 2B Indexation of specified dollar ranges**

*Review of specified dollar ranges*

- (1) The Commissioner must, within 12 months of the return of the writ after a general election, review all specified dollar ranges to determine if they should be adjusted to reflect movement in the New

**Proposed amendments to  
Taxation (Income Tax Rate and Other Amendments)  
Bill**

SOP No 2

Zealand Consumers Price Index in the period since the specified dollar ranges were last reviewed.

- (2) For the purpose of **subsection (1)**, a movement in the New Zealand Consumers Price Index over the period is determined by comparing the following numbers:
- (a) the number that, when the period started, was the most recent quarterly index number of the New Zealand Consumers Price Index all groups:
  - (b) the number that, when the period ended, was the most recent quarterly index number of the New Zealand Consumers Price Index all groups.
- (3) In the case of the first review under this section, the number to be used for the purposes of **subsection (2)(a)** is the quarterly index number of the New Zealand Consumers Price Index all groups for the quarter that ended 3 years prior to the quarter to be used for the purposes of **subsection (2)(b)**.

*Adjustment of specified dollar ranges by Order in Council*

- (4) If the Commissioner concludes that any of the specified dollar ranges require adjustment, the relevant range or ranges must be adjusted by regulations made under **section YA 2C**.

*Declining to adjust specified dollar range when required by review*

- (5) Despite **subsection (4)**, the Minister may decline to recommend that regulations be made under **section YA 2C** and, if so, the Minister must present to the House of Representatives a report that explains their reasons for declining to recommend the making of regulations to adjust the specified dollar ranges.

Defined in this Act: Commissioner, Minister, specified dollar range

#### **YA 2C Regulations**

*When this section applies*

- (1) This section applies for the purposes of **section YA 2B**.

*Specifications*

- (2) The Governor-General may, by Order in Council, made on the recommendation of the Minister, make regulations to adjust a specified dollar range by replacing the figures in that range.

*Timing of Order in Council*

- (3) An Order in Council made under this section must be made no later than 1 December in any year and must apply from 1 April following that date.

## **Explanatory note**

This Supplementary Order Paper amends the Taxation (Income Tax Rate and Other Amendments) Bill to inflation-adjust the new tax bracket each three years.