

# House of Representatives

# Supplementary Order Paper

Tuesday, 26 October 2021

## COVID-19 Response (Management Measures) Legislation Bill

### *Proposed amendments*

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

*New Schedule 1A*

After *Schedule 1* (after page 4), insert:

### Schedule 1A Inland Revenue Department

s 3(1)

**1 Amendment to Tax Administration Act 1994**

**Clause 2** amends the Tax Administration Act 1994.

**2 New section 7AAD inserted (Authorisation to make payments under small business rental support)**

After section 7AAC, insert:

**7AAD Authorisation to make payments under small business rental support**

- (1) The Commissioner, on behalf of the Crown, may make payments under the small business rental support scheme (the **scheme**) to a lessee who—
  - (a) meets the eligibility requirements for a payment under the scheme; and
  - (b) makes an application under the scheme to the Commissioner.
- (2) The scheme entitles the lessee to receive payments, during a period of raised alert level, that are—

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- (a) equivalent to 50 percent of the lessee's rental costs for any leased premises; and
  - (b) capped at a total of \$10,000 per month (regardless of the number of premises leased to the lessee).
- (3) The eligibility requirements for a payment under the scheme include—
- (a) that the lessee has had a reduction in their business revenue of at least 40 percent compared to business revenue prior to the period of raised alert level; and
  - (b) that the lease contract between the lessee and lessor does not include a no access in an emergency clause; and
  - (c) any other requirements that the Commissioner considers necessary for the administration of the scheme.
- (4) For the purposes of **subsection (1)(a)**, the Commissioner must publish the eligibility requirements for a payment under the scheme on an internet site administered by the Commissioner.
- (5) The person in whose name the application under the scheme is made must provide to the Commissioner any information required to assess their eligibility for a payment under the scheme.
- (6) If a person who receives a payment from the Commissioner does not meet the required eligibility requirements, the person must repay the total amount to the Commissioner immediately.
- (7) For the purposes of this section,—
- leased premises—**
- (a) means a property—
    - (i) that is rented by the lessee for their business operation; and
    - (ii) that is in an area that has been at a raised alert level for at least 2 weeks; and
    - (iii) for which the lessor has agreed to a 25 percent reduction in the rental costs during the period that payments are made to the lessee under the scheme; and
  - (b) includes all land comprised in the lease
- lessee—**
- (a) means a commercial tenant that—
    - (i) has fewer than 50 employees; and
    - (ii) rents property for their business operation; and
  - (b) includes a person who has accepted a transfer or assignment of a lease

**no access in an emergency clause** means any terms that provide expressly (whatever their form or wording) for a reduction of rental costs payable by the lessee for a rental period because, for all or any part of that rental period,—

- (a) there is an emergency; and
- (b) the lessee, or any sublessee of the lessee, is unable to gain access to all or any part of the leased premises to conduct fully their operations from all or any part of the leased premises, because of reasons of health or safety, including any health or safety restriction imposed by any competent authority on occupation by any person of all or any part of the leased premises

**raised alert level** means that the area has been designated an alert level 3 area or higher under the COVID-19 Public Health Response Act 2020

**rental costs**, payable by a lessee for a rental period,—

- (a) means the assessable rent, associated building operating costs, and any contribution to the outgoings on the leased premises payable by the lessee for that rental period; and
- (b) do not include the costs set out in **paragraph (a)** that applied in the first 2 weeks of raised alert level

**small business rental support scheme** means the Small Business Rental Support Scheme established and administered by the Crown to assist small-to-medium businesses experiencing reduced revenues arising from the continuing impact of COVID-19 related measures or circumstances to meet rental costs.

### *Schedule 6*

In *Schedule 6*, delete *Part 4* (page 36, line 1 to page 40, line 36).

## **Explanatory note**

This Supplementary Order Paper amends the COVID-19 Response (Management Measures) Legislation Bill.