

# Short-Form Supplementary Departmental Disclosure Statement

---

Taxation (Business Tax, Exchange of Information, and Remedial Matters) Bill
---

A short form supplementary disclosure statement for proposed government amendments to a Bill seeks to bring together in one place some selected information to support and enhance the Parliamentary and public scrutiny of those proposed amendments.

It highlights certain significant powers or features in the proposed amendments that might be of particular Parliamentary or public interest and warrant an explanation.

This statement provides a limited supplement to the original disclosure statement for the Taxation (Business Tax, Exchange of Information, and Remedial Matters) Bill, dated 8 August 2016, which can be found at this link

<http://disclosure.legislation.govt.nz/bill/government/2016/149/>

This supplementary disclosure statement was prepared by Inland Revenue.

Inland Revenue certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

19 September 2016

## General Policy Statement

This Supplementary Order Paper inserts provisions that amend the Student Loan Scheme Act 2011 (the **Act**).

The proposed amendments will extend the full-time study student loan interest exemption to recipients of New Zealand Government-funded scholarships.

The Act will be amended to include 2 new situations in which the Commissioner may treat certain borrowers as being physically in New Zealand. These relate to overseas study and overseas internships. A borrower who is treated as being physically in New Zealand for a certain number of days is treated as New Zealand-based for the purposes of the Act and loan interest on the borrower's loan balance is reduced to zero for each day that the borrower is New Zealand-based.

Schedule 1 of the Act will also be amended to insert new provisions containing the conditions that must be satisfied by a borrower who makes an application under the new overseas study or overseas internship provisions and to make consequential amendments.

In summary, the conditions for overseas study are that the borrower must—

- receive a qualifying government-funded scholarship for the study;
- undertake the study overseas on a full-time basis.

In summary, the conditions for overseas internships are that the borrower must—

- receive a qualifying government-funded scholarship for the internship;
- undertake the internship overseas on a full-time basis or, if combined with study, on a part-time basis.

A regulatory impact statement that sets out more detail supporting the policy decisions that lead to the proposed legislative amendments can be found at:

<http://www.education.govt.nz/ministry-of-education/regulatory-impact-statements/>

## Significant Legislative Features

### Offences, penalties and court jurisdictions

1. Do the proposed amendments create, amend, or remove:	
(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalties)?	NO
(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO

---

### Privacy issues

2. Do the proposed amendments create, amend, or remove any provisions relating to the collection storage, access to, correction of, use or disclosure of personal information?	NO
--	----

---

### Compulsory acquisition of private property

3. Do the proposed amendments contain any provisions that could result in the compulsory acquisition of private property?	NO
---	----

### Charges in the nature of a tax

4. Do the proposed amendments create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
---	----

### Retrospective effect

5. Do the proposed amendments affect rights, freedoms, or impose obligations, retrospectively?	NO
--	----

### Strict liability or reversal of the burden of proof for offences

6. Do the proposed amendments:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for any offence or civil pecuniary penalty proceeding?	NO

### Civil or criminal immunity

7. Do the proposed amendments create or amend a civil or criminal immunity for any person?	NO
--	----

### Significant decision-making powers

8. Do the proposed amendments create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
---	----

### Powers to make delegated legislation

9. Do the proposed amendments create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO
--	----

10. Do the proposed amendments create or amend any other powers to make delegated legislation?	NO
--	----

### Any other unusual provisions or features

11. Do the proposed amendments contain any provisions (other than those noted above) that are unusual or call for special comment?	NO
--	----