

# Short-Form Supplementary Departmental Disclosure Statement

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Taxation (Annual Rates for 2016-17, Closely Held Companies, 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.

It provides a limited supplement to the original disclosure statement for the Taxation (Annual Rates for 2016-17, Closely Held Companies, and Remedial Matters) Bill, dated 28 April 2016, which can be found at this link <http://disclosure.legislation.govt.nz/bill/government/2016/130/>

This supplementary disclosure statement was prepared by Inland Revenue.

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

Dated: 9 February 2017

## Significant Legislative Features

### Offences, penalties and court jurisdictions

<b>1. Do the proposed amendments create, amend, or remove:</b>	
(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

<b>1.1. Was the Ministry of Justice consulted about these provisions?</b>	NO

### Privacy issues

<b>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?</b>	NO


### Compulsory acquisition of private property

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

## Charges in the nature of a tax

<b>4. Do the proposed amendments create or amend a power to impose a fee, levy or charge in the nature of a tax?</b>	<b>NO</b>
<p>Given this Bill is amending tax legislation, it does contain provisions that create or amend a power to impose a charge that is a tax. However, for the purposes of this statement, the answer is "No" as per the scope of this question explained in page 53 of the Disclosure Statements for Government Legislation: Technical Guide for Departments (June 2013).</p> <p><a href="http://www.treasury.govt.nz/regulation/policyintolegislation/disclosurestatements/disclosureguide/ds-gl-jun13.pdf">http://www.treasury.govt.nz/regulation/policyintolegislation/disclosurestatements/disclosureguide/ds-gl-jun13.pdf</a></p>	

## Retrospective effect

<b>5. Do the proposed amendments affect rights, freedoms, or impose obligations, retrospectively?</b>	<b>YES</b>
<p>The Supplementary Order Paper will add sections to subpart EZ of the Income Tax Act 2007, which allow limited relief to businesses affected by the Kaikoura earthquakes of November 2016.</p> <p>As the Kaikoura earthquakes happened last November this will be a retrospective tax measure, even though it only affects future tax returns. This ensures that taxpayers can elect to suspend depreciation recovery income for assets destroyed or lost because of the Kaikoura earthquakes.</p> <p>Other amendments that supplement the taxpayer friendly debt remission proposals in the Bill are also retrospective. This is to match the application dates in the Bill.</p>	

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

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

## Civil or criminal immunity

<b>7. Do the proposed amendments create or amend a civil or criminal immunity for any person?</b>	<b>NO</b>

### Significant decision-making powers

<b>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?</b>	<b>NO</b>

### Powers to make delegated legislation

<b>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?</b>	<b>NO</b>

<b>10. Do the proposed amendments create or amend any other powers to make delegated legislation?</b>	<b>NO</b>

### Any other unusual provisions or features

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