

## Tax Policy Work Programme\*

### As at 24 November 2000

Start point is 1 November 2000.

Items in *bold italics* are the major items.

PROJECT DESCRIPTION	OBJECTIVE	
	JUNE FISCAL YEAR	
	2001	2002
<b>Issues - New Zealand in a changing global economy</b>		
<i>Thin capitalisation changes (part of simplifying interest deduction rules)</i>		Enacted
<i>GST and imported services</i>	Consultation	Enacted
<i>Trans-Tasman triangular taxation</i>	Consultation	Consultation
<i>Foreign investment funds review</i>	Consultation	
<i>New Zealand's involvement in OECD project on harmful tax competition</i>	As necessary	
<i>Tax treatment of research and development expenditure</i>	Consultation	Enacted
Bloodstock depreciation	Consultation	?
GST and tax-free shopping	Consideration	?
Select Committee review of trans-Tasman business harmonisation	As necessary	
High-value cross border leasing tax issues		Enacted
Electronic commerce, records and administration	As necessary	
Making bribes to non-residents non-deductible - international commitment		Enacted
Approved issuer levy remedials - October 2000 Bill	Enacted	
Coastal shipping taxation issues	As necessary	
Deductibility of expenses against dividend withholding payment income		Consultation & Enacted
Available subscribed capital and dividends with underlying foreign tax credits		Consultation & Enacted
Russian, Japanese & South African double tax agreements	Finalise	
Other double tax agreements as necessary	As necessary	

\* This work programme is subject to change.

CONTINUED	OBJECTIVE	
PROJECT DESCRIPTION	JUNE FISCAL YEAR	
	2001	2002
<b>Issues - The taxation of savings and entities</b>		
<i>Various unit trust issues</i>	Consultation & Enacted	
<i>Review of taxation of Maori authorities</i>	Consultation	Enacted
<i>Review of taxation of partnerships</i>		Commence
<i>Review of trusts taxation</i>		Commence
<i>Review of credit Unions taxation</i>	As necessary	
<i>Taxation of savings - TET(taxed, exempt, taxed)</i>	As necessary	
<i>Review of GST on financial services</i>		Consultation
Tax issues to do with pre-funding superannuation	As necessary	
Review tax status of Crown-owned entities		Commence
<b>Issues - Tax simplification</b>		
<i>Rewrite Parts C, D and E of Income Tax Act</i>	Consultation	Enacted
<i>Review of compliance and penalties legislation</i>	Consultation	Enacted
<i>Small business tax simplification</i>	Consultation	Enacted
<i>Interest deductions for companies</i>		Enacted
Late payment penalty mitigation rules - October 2000 Bill	Enacted	
GST on fringe benefits in FBT return - October 2000 Bill	Enacted	
Self-assessment codification		Enacted
Tax issues concerning holiday pay etc on transfer of a business	Consultation	Enacted
Deductibility of partnership pensions	Consultation	Enacted
Specific binding rulings issues	Consultation	Enacted
Disputes resolution review		Consultation
Tax treatment of retirement villages - clarification	Consultation	?
Distributions, death and taxes - consideration of issues	Consultation	Enacted
Accrual rule issues regarding natural love and affection loan forgiveness		Consultation & Enacted

CONTINUED	OBJECTIVE	
PROJECT DESCRIPTION	JUNE FISCAL YEAR	
	2001	2002
<b>McLeod Tax Review</b>	Support as necessary	
<b>Base maintenance -</b>		
<i>Trusts and minor beneficiaries - October 2000 Bill</i>	Enacted	
<i>Restraints of trade - October 2000 Bill</i>	Enacted	
<b><i>High income individuals tax avoidance schemes</i></b>	Consultation	Enacted
Consideration of Law Commission's report on tax privilege	Consultation	?
Tax treatment of super funds that invest into passive super funds	Report to Govt	?
Resident withholding tax and companies - October 2000 Bill	Enacted	
Timing policy issues - <i>Mitsubishi</i> and similar issues		Consultation
<b>Tax Policy to meet specific Government objectives</b>		
<b><i>Gaming / racing review</i></b>	As necessary	
<b><i>Review of tax issues for charities</i></b>	Consultation	Enacted
<b><i>Carbon charges</i></b>	As necessary	
<b><i>Student Loan Scheme – review by the Education and Science Committee; reciprocal agreements with UK and Australia</i></b>	As necessary	

CONTINUED PROJECT DESCRIPTION	OBJECTIVE	
	JUNE FISCAL YEAR	
	2001	2002
<b>Miscellaneous</b>		
Confirmation of annual tax rates		Enacted
Fringe benefit tax review		Commence
GST - sundry issues	As necessary	
Extra payment of family support - 27 in one year		Enacted
Issues regarding IRD collection of Accident Compensation premiums		Enacted
Human Rights Act consistency compliance issues	As necessary	
Government Super Fund restructuring	As necessary	
Tax consequences of SILNA (South Island Landless Natives Act) settlements		Enacted
Child Support avoidance/review	As necessary	
Netherlands social security agreement	As necessary	
Eligibility of Accident Compensation payees to child & parental tax credits	As necessary	
District Health Boards - tax exempt status and transitional measures	As necessary	
Overseas racing stakes - should be exempt - October 2000 Bill	Enacted	
Waitangi Fisheries Commission - tax consequences of distributions - October 2000 Bill	Enacted	
National Provident restructuring & Government Super Fund definition	As necessary	
Tax consequences of Housing Corp restructuring	As necessary	
Tax consequences of review of Local Government funding	As necessary	
Tax consequences of Public Works Act review	As necessary	
Tax consequences of remuneration of Local Government members	As necessary	
Tax consequences of review of the Public Trust	As necessary	
Sundry corrections	Ongoing	