

Part C

Subpart CB - Income from business or trade-like activities

Mutual associations

CB 29 Amounts derived by mutual associations

When this section applies

- (1) This section applies when an association enters into a transaction of a kind described in section HE 2 (Classes of mutual transaction) with—
 - (a) 1 or more members; or
 - (b) 1 or more members along with 1 or more persons who are not members of the association.

Income

- (2) If the association derives from the transaction an amount that would be income under ordinary concepts but for the mutual character of the transaction, the amount is income of the association.

Defined in this Act: amount, association, income, income year, member

Origin: (1) HF 1(1)
 (2) HF 1(1)

CB 30 Amounts derived by members from mutual associations

When this section applies

- (1) This section applies when an association, in relation to a transaction of a kind described in section HE 2 (Classes of mutual transaction), pays an amount of profits as an association rebate to a member in an income year.

Income

- (2) The amount of the association rebate is income of the member in the income year but only to the extent of the amount of the association's deduction under section DV 14 (Association rebates).

Statutory producer boards: timing of payment

- (3) If a statutory producer board pays an association rebate to a member that is a mutual association, the association is treated as deriving the amount in the income year in which the producer board chooses under section DV 14(6) to have the amount as the deduction.

When amount paid

- (4) For the purposes of this section, an amount is treated as having been paid to a person when it is credited in account or dealt with in some way in their interest or on their behalf. Subsection (3) overrides this subsection.

Relationship with dividend rules

- (5) An association rebate is not a dividend except to the extent to which it is more than the amount of the deduction the association is allowed under section DV 14.

Defined in this Act: amount, association, association rebate, deduction, dividend, income, income year, member, statutory producer board

Origin:	(1)	HF 1(5)
	(2)	HF 1(5)
	(3)	HF 1(3)(c)
	(4)	HF 1(6)
	(5)	HF 1(5) proviso

Subpart CD - Income from equity

CD 26B Māori authority distributions

A Māori authority distribution is not a dividend except for the purposes of section CW 10 (Dividend within New Zealand wholly-owned group).

Defined in this Act: dividend, Māori authority, wholly-owned group

Origin: HI 4(2)

Subpart CV - Income specific to certain entities

CV 3 Amounts received after person's death

To the extent to which section HC 8 (Amounts received after person's death) applies to an amount that a trustee of an estate of a deceased person receives in an income year, the amount is income of the trustee.

Defined in this Act: amount, income, income year, trustee

Origin: HH 8

CV 4 Amounts derived from trusts

An amount derived by a person is income of the person if it is—

- (a) beneficiary income to which sections HC 5 (Beneficiary income) and HC 14 (Amounts derived as beneficiary income) apply; or
- (b) a taxable distribution from a foreign trust to which section HC 15 (Taxable distributions from foreign trusts) applies; or
- (c) a settlement on trust of property of the kind described in section HC 6(3) (Trustee income).

Defined in this Act: amount, beneficiary income, foreign trust, income, settlement, settlor, taxable distribution, trustee income

Origin: HH 1(7), HH 3(1)

CV 5 Distributions from community trusts

To the extent to which section HC 18 (Distributions from community trusts) applies to treat an amount that a community trust distributes to a person as income, the amount is income of the person.

Defined in this Act: amount, community trust, distribution, income

Origin: HH 5A

CV 6 Amounts derived from trusts while person absent from New Zealand

To the extent to which section HC 20 (Temporary absences of beneficiaries) applies to an amount of beneficiary income or taxable distribution, the amount is income of the person derived on the day on which the person becomes resident in New Zealand again.

Defined in this Act: amount, beneficiary income, income, resident in New Zealand, taxable distribution

Origin: HH 3(3)

CV 7 Māori authority distributions

An amount that a member of a Māori authority derives as a distribution from the Māori authority is income of the member if the amount is—

- (a) a notional distribution under section HF 5 (Notional distributions of co-operative companies) ; or
- (b) a taxable Māori authority distribution under section HF 7 (Taxable Māori authority distributions)

Defined in this Act: amount, co-operative company, Māori authority, member, taxable Māori authority distribution

Origin: HI 5(2), (3), HI 4(3)

CV 8 Tax credits linked to Māori authority distributions

The amount of a taxable Māori authority distribution or notional distribution is increased by a credit that is attached, or treated as attached under section NF 8A (Resident withholding tax deductions from distributions treated as Māori authority credits).

Defined in this Act: amount, Māori authority, Māori authority credit, taxable Māori authority distribution

Origin: HI 7

Subpart CW - Exempt income

CW 11B Dividends derived by attributing companies

Sections CW 10 and CW 11 (which relate to dividends) do not apply to treat as exempt income a dividend derived by a company that has been an attributing company at some time before the date on which it derives the dividend, except to the extent to which the dividend is one to which section CW 9 (Dividend derived by company from overseas) applies.

Defined in this Act: attributing company, company, dividend, exempt income

Origin: HG 10(a)

CW 11C Dividends paid by attributing companies

Exempt income of shareholder

- (1) To the extent to which the amount of a dividend that an attributing company pays to a person resident in New Zealand is more than a fully imputed distribution under section HB 14 (Fully imputed distribution), the amount is exempt income of the person.

Exempt income of beneficiary

- (2) If a dividend paid by an attributing company to a trustee shareholder is, or becomes, beneficiary income of a beneficiary resident in New Zealand, the dividend is exempt income of the beneficiary.

Defined in this Act: attributing company, beneficiary income, bonus issue, dividend, exempt income, resident in New Zealand, shareholder, trustee

Origin: (1) HG 13(1)(a)
(2) HG 13(1A)

CW 44B Distributions from complying trusts

To the extent to which section HC 17 (Distributions from complying trusts) applies to an amount that a person derives in a tax year as a beneficiary of a trust, the amount is exempt income.

Defined in this Act: amount, complying trust, distribution, exempt income, tax year

Origin: HH 3(5)

CW 44C Foreign-sourced amounts derived by trustees

To the extent to which section HC 23 (Foreign-sourced amounts: resident trustees) applies to a foreign-sourced amount that a trustee who is resident in New Zealand derives in an income year, the amount is exempt income.

Defined in this Act: exempt income, foreign-sourced amount, income year, non-resident, resident in New Zealand, trustee

Origin: HH 4(3B)

CW 44D Māori authority distributions

A distribution from a Māori authority to a member, to the extent to which it is not income under section CV 7 (Māori authority distributions) is exempt income.

Defined in this Act: exempt income, income, Māori authority, member

Origin: HI 5(1)

Subpart CX - Excluded income

Minors' beneficiary income

CX 44B Amounts derived by minors from trusts

To the extent to which section HC 33 (Rate of tax: beneficiary income of minors) applies to an amount of beneficiary income, the amount is excluded income of the minor.

Defined in this Act: amount, beneficiary income, excluded income, minor

Origin: HH 3A–3F

CX 44C Taxable distributions from non-complying trusts

An amount that a person derives in a tax year as a taxable distribution from a non-complying trust under section HC 16 (Taxable distributions from non-complying trusts) is excluded income of the person.

Defined in this Act: amount, exempt income, income year, non-complying trust, tax year, taxable distribution

Origin: HH 3(1)

Part D

Subpart DB - Specific rules for expenditure types

DB 8A Interest incurred on money borrowed to acquire shares in attributing companies

Deduction for interest incurred

- (1) The deduction that a shareholder in an attributing company has for interest in an income year is reduced by the amount of non-cash dividends (other than taxable bonus issues) derived by them or an associated person from the company in the income year.

Exempt income

- (2) In determining the amount of the deduction that the shareholder has for the interest, section CW 11C(1) (Dividends paid by attributing companies) does not apply to treat as exempt income a distribution from the attributing company to the shareholder, and the distribution is excluded from the definition of **dividend**.

Associated persons

- (3) If the associated person referred to in subsection (1) is associated with more than 1 shareholder in the company, the amount of non-cash dividends is apportioned among the associated shareholders according to their effective interests in the company in the income year.

Allocation of dividend

- (4) If section CD 28 (Calculation of amount of dividend when property made available) applies to a dividend derived by a shareholder of an attributing company, the dividend is treated as having been paid and derived at the end of the quarter in which the amount is calculated.

Link with subpart DA

- (5) This section overrides—
- (a) the general permission; and
 - (b) the exempt income limitation.

Defined in this Act: amount, associated person, attributing company, bonus issue, deduction, dividend, effective interest, exempt income, exempt income limitation, general permission, income year, interest, non-cash dividend, pay, share, shareholder, taxable bonus issue

Origin	(1)	HG 9(3)
	(2)	HG 9(4)
	(3)	HG 9(3A)
	(4)	HG 9(5)
	(5)	new

Subpart DV - Expenditure specific to certain entities

DV 14 Association rebates

When this section applies

- (1) This section applies when an association,—
 - (a) enters into a transaction of a kind described in section HE 2 (Classes of mutual transaction) with members, or with members and other persons who are not members, from which it derives income to which section CB 29 (Amounts derived by mutual associations) applies; and
 - (b) in relation to the transactions, pays an amount of profits as association rebates to members in the income year.

Deduction

- (2) The association is allowed a deduction for the lesser of—
 - (a) the amount described in subsection (3); or
 - (b) the amount calculated using the formula in subsection (4).

Amount paid

- (3) The amount referred to in subsection (2) is the total amount that the association pays in the income year to members for those mutual transactions that the association takes into account in determining its net income or net loss under section BC 4 (Net income and net loss). In the calculation of the total amount, it is irrelevant that the amount paid may be limited or reduced because a member of the association has a share or interest in the capital of the association.

Amount under formula

- (4) The amount is calculated using the formula—
$$\text{assessable income} - (\text{deductions} + \text{amount distributed}).$$

Items in formula

- (5) In the formula,—
 - (a) **assessable income** is the association's assessable income attributable to the transactions:
 - (b) **deductions** are the total deductions that the association is allowed (other than under this section) that are attributable to the assessable income:
 - (c) **amount distributed** is the total amount that the association distributes to members in the income year through a cash distribution for which a determination is made under section ME 35(1)(a) (Co-operative companies may make annual determination to attach imputation credit to certain distributions).

Statutory producer boards: timing of deduction

- (6) A statutory producer board that pays an association rebate to a member may choose whether the amount of the rebate is a deduction in the income year in which it is paid, or in the income year in which the transaction giving rise to the rebate is made.

Link with subpart DA

- (7) This section supplements the general permission and overrides the capital limitation. The other general limitations still apply.

Defined in this Act: amount, assessable income, association, association rebate, capital limitation, deduction, general permission, imputation credit, income, income year, member, net income, net loss, pay, share, statutory producer board

Origin:	(1)	HF 1(2)
	(2)	HF 1(2)
	(3)	HF 1(2)(a)
	(4)	HF 1(2)(b)
	(5)	HF 1(2)(b)
	(6)	HF 1(3)
	(7)	new

DV 15 Consolidated groups: intra-group transactions

When this section applies

- (1) This section applies in relation to a consolidated group of companies for the purposes of section FD 17 (Intra-group transactions: expenditure or loss).

No deduction (with exception)

- (2) A company that is a member of a consolidated group of companies is denied a deduction for expenditure or loss incurred through a payment or disposal to, or transaction or arrangement with, another company in the group, and a deduction would not be allowed for the expenditure or loss if the group were 1 company, to the extent to which the expenditure or loss arises—
- (a) from the company's acquisition of trading stock; or
 - (b) under section FD 10 (Special provisions relating to dispositions of property).

Other expenditure or loss

- (3) A company that is a member of a consolidated group is—
- (a) allowed a deduction for expenditure or loss or an amount of depreciation loss if the requirements of section FD 17(3) and (4) are met:

- (b) denied a deduction for expenditure or loss or amount of depreciation loss except to the extent to which the expenditure or loss is interest on money that the company has borrowed outside the group if the requirements of section FD 17(5) and (6) are met.

Link with subpart DA

- (4) This section overrides the general permission.

Defined in this Act: amount, arrangement, company, consolidated group, deduction, depreciation loss, general permission, interest

Origin:	(1)	HB 2(1)
	(2)	HB 2(1)
	(3)	HB 2(1)
	(4)	new

Part F

Subpart FC - Recharacterisation

Superannuation funds

FC 22 Superannuation funds

If a trust that is treated as a company under this Act becomes a superannuation fund, it is treated as wound up on the date on which it becomes the superannuation fund.

Defined in this Act: company, superannuation fund, this Act

Origin: HH 1(9)

Subpart FD - Consolidation of companies

FD 12 Income tax liability of consolidated group and members

Group treated as 1 company

- (1) A consolidated group is liable to income tax as if it were 1 company.

Income tax liability of member companies

- (2) For the purposes of this section, each company must calculate the amount that would be its taxable income under subpart BC (Calculating and satisfying income tax liabilities), as modified by this section and sections FD 13 to FD 18, for all or part of a tax year in which it is a member of a consolidated group. The consolidated group's taxable income is the sum of the amounts of each company modified in this way.

Particular treatment as single company

- (3) For the purposes of calculating and satisfying an income tax liability,—
- (a) a credit is available under this Act to be set off against the income tax liability of a consolidated group in a tax year under section BC 10 (Surplus credits):
 - (b) a provision of this Act, whose application depends on a threshold or limit, applies to a consolidated group.

Defined in this Act: company, consolidated group, income tax, income tax liability, tax year, taxable income, this Act

Origin: (1) HB 2(1)
 (2) HB 2(1)
 (3) HB 1(1)(c), HB 2(1)(f)

FD 13 Joint and several liability of group companies

Each company in a consolidated group is jointly and severally liable for the amount of income tax assessed for the group. The income tax liability of each company under section BB 2 (Main obligations) is subsumed in the joint and several liability, but only to the extent—

- (a) of the income tax liability of the group in the period of the tax year in which the company is a member of the group; and
- (b) to which section FD 14(1) does not apply.

Defined in this Act: amount, company, consolidated group, income tax, income tax liability, tax year

Origin: HB 1(1)

FD 14 Extent of liability when company leaves group

Conditions for end to liability

- (1) If an assessment is made in an income year in relation to a consolidated group, section FD 13 does not apply to a company that stops being, or is no longer treated as, a member of the group if all the following paragraphs apply:
 - (a) the assessment is made after the later of,—
 - (i) the date on which the company is treated for the purposes of this Act as no longer a member of the group; and
 - (ii) if applicable, the date of the event that caused the company to be treated as no longer a member of the group:
 - (b) the income tax assessed is more than the amount assessed before that date for the consolidated group and the income year:
 - (c) the Commissioner considers that the removal of the liability will not significantly prejudice the recovery (or likely recovery) of the amount of income tax assessed for the tax year.

Notification to company and group

- (2) For the purposes of subsection (1)(c), section FD 13 applies to the company until the Commissioner notifies both the company and the consolidated group of the decision that the company is no longer included in the joint and several liability for the group's income tax.

Defined in this Act: amount, assessment, Commissioner, company, consolidated group, income tax liability, income year, notify, tax year, this Act

Origin: (1) HB 1(2)
(2) HB 1(2)

FD 15 Limiting joint and several liability

Named companies bearing liability

- (1) At any time before making an assessment for a consolidated group for a tax year, the nominated company may apply to the Commissioner for approval that 1 or more named companies in the group bear the group's income tax liability for the tax year. This subsection overrides section FD 13.

Approval by Commissioner

- (2) If the Commissioner considers that a limitation of liability under subsection (1) will not significantly prejudice the recovery (or likely recovery) of the income tax liability for the tax year, the Commissioner must approve the application in writing.

Liability limited to named companies

- (3) For the tax year to which an approval under subsection (2) relates,—
- (a) only a company named in the application is liable for the income tax liability of the group, and if more than 1 company is named, the liability is joint and several:
- (b) section MB 7(1) (Provisional tax of consolidated group members) does not apply to impose on a company other than a named company joint and several liability for the amount of provisional tax payable by the group.

When named companies fail to meet liability

- (4) Subsection (3) does not apply, and the joint and several liability of companies in the group other than the named company or companies is not extinguished, if—
- (a) the named company or companies fail to satisfy their taxation obligations under this section; and
- (b) the Commissioner determines that the income tax liability of the group that is attributable to the taxable income of a company other than a named company is to be recovered from that other company.

Defined in this Act: amount, assessment, Commissioner, company, consolidated group, income tax liability, nominated company, pay, provisional tax, tax year, taxable income

Origin:	(1)	HB 1(3)
	(2)	HB 1(4)
	(3)	HB 1(3), HB 1(5)(b)
	(4)	HB 1(5)

FD 16 Intra-group transactions: income

When this section applies

- (1) This section applies for the purposes of section FD 12 when a company derives an amount in a tax year or in part of a tax year in which it is a member of a consolidated group.

Excluded income

- (2) If the company derives the amount through a transaction or arrangement with another company in the group and the amount would not be assessable income if the group were 1 company, the amount is excluded from the calculation of taxable income under section FD 12.

Amounts outside scope of subsection (2)

- (3) Subsection (2) does not apply to an amount that—
- (a) arises from the disposal of the company's trading stock; or
 - (b) arises under section EW 31 (Base price adjustment formula) from—
 - (i) the disposal of a financial arrangement to which the financial arrangements rules apply; or
 - (ii) the remission of a financial arrangement to which the financial arrangements rules apply, if the parties to the financial arrangement were not member companies of the group for the whole term of the arrangement; or
 - (c) is a dividend under section CD 3(1) (Transfers of value generally) arising between member companies of a group through the release of an obligation to repay money lent before the companies are treated as members of the group under section FD 4.

Income

- (4) The amount is treated as income, even though it would not be income of the company apart from this subsection, if it would be income of the group when the group is treated as if it were 1 company either—
- (a) through a purpose for which an item of property was acquired; or
 - (b) because a connection exists between the amount and the carrying on of a business by another company that is a member of the group; or
 - (c) for some other reason.

Defined in this Act: amount, arrangement, assessable income, business, company, consolidated group, dividend, excluded income, financial arrangement, financial arrangements rules, income, money lent, pay, tax year, taxable income, trading stock

Origin:	(1)	HB 2
	(2)	HB 2(1)(a)(i), (ii)
	(3)	HB 2(1)(a)(iii)–(vi)
	(4)	HB 2(1)(e)

FD 17 Intra-group transactions: expenditure or loss

When this section applies

- (1) This section applies for the purposes of section FD 12 when a company incurs expenditure or loss, or has an amount of depreciation loss, in a tax year or part of a tax year in which it is a member of the group.

No deduction (with exception)

- (2) If the company incurs the expenditure or loss through a payment or disposal to, or a transaction or arrangement with, another company in the group, and a deduction would not be allowed for the expenditure or loss if the group were 1 company, a deduction is denied under section DV 15 (Consolidated groups: intra-group transactions), except to the extent to which the expenditure or loss arises—
- (a) from the company's acquisition of trading stock; or
 - (b) under section FD 10.

When subsection (4) applies

- (3) Subsection (4) applies when the company incurs expenditure or loss, or has an amount of depreciation loss, that—
- (a) is not expenditure or loss to which subsection (2) applies; and
 - (b) would not be allowed as a deduction to the company but for subsection (4).

Deduction

- (4) A deduction is allowed if it would be allowed to the consolidated group (treating the group as if it were 1 company) because of a connection between—
- (a) the incurring of the expenditure or loss or amount of depreciation loss; and
 - (b) the deriving of assessable income, or the carrying on of a business by another company that is a member of the group.

When subsection (6) applies

- (5) Subsection (6) applies when the company incurs expenditure or loss or an amount of depreciation loss that—
- (a) is not expenditure or loss to which subsection (2) applies; and
 - (b) would be allowed as a deduction to that company but for subsection (6).

No deduction (with exception)

- (6) A deduction is denied if it would be denied to the consolidated group (treating the group as if it were 1 company) except to the extent to which the expenditure or loss or amount of depreciation loss is interest on money that the company has borrowed from a person that is not a member of the group, and the company—
- (a) is allowed a deduction under section DB 7 (Interest: most companies need not nexus with income) or DB 8 (Interest: money borrowed to acquire shares in group companies); or
 - (b) would be allowed a deduction under section DB 7 or DB 8 because the company is treated as having used the money borrowed (to the extent of the actual acquisition cost) to acquire certain shares when, through

interposed intra-group borrowings, the money borrowed was in fact used by another member company in acquiring the shares.

Defined in this Act: amount, arrangement, assessable income, business, company, consolidated group, deduction, depreciation loss, income, interest, pay, share, tax year, taxable income, trading stock

Origin: (1) HB 2(1)
(2) HB 2(1)(b)
(3) HB 2(1)(c)
(4) HB 2(1)(c)
(5) HB 2(1)(d)
(6) HB 2(1)(d)

FD 18 Capital expenditure

If a company that is a member of a consolidated group incurs expenditure or loss in relation to a capital asset owned by another company in the group, the amount of expenditure or loss is taken into account in determining the cost of property of the group if the following paragraphs apply:

- (a) if the expenditure or loss would be taken into account treating the group as if it were 1 company; and
- (b) if the expenditure or loss would not be taken into account, but for this subsection, for the purposes of either company that is a member of the group.

Defined in this Act: amount, company, consolidated group

Origin: HB 2(2)

OB 1 Definitions

Absentee	update references
Accounting year	no change
Agent	no change
Airport operator	no change
Amalgamation	no change
Arrangement	no change
Assessable income	no change
Associated person	no change
Association	to OB from HF 1(9) for HE
Association rebate	new entry, HE 3
Attributed CFC loss	no change
Attributing company	qualifying company from OB 3, update references to HB 2
Attributing company election tax	Qcet, index entry, HB 26
Balance date	no change
Banking company	no change
Basic rate	no change
Beneficiary income	from OB to HC 5, index entry
Bonus issue	no change
Branch equivalent tax account	no change
Business	no change
Cancellation	no change
Capital limitation	no change
Cash basis person	no change
Category A income	from OB to HG 5, index entry
Category B income	from OB to HG 5, index entry
Charitable purpose	no change

Charitable trust	from OB to HC 10, index entry
Commissioner	no change
Community trust	no change
Company	update references
Company dividend statement	no change
Complying trust	Qualifying trust, from OB to HC 9
Conduit tax relief holding company	no change
Consideration	update references
Consolidation rules	update references
Control interest	no change
Controlled foreign company	no change
Controlling shareholder	update references, HD 14
Co-operative company	no change
Corpus	from OB to HC 6, HC 7, index entry
Current value	from OB to HG 5, index entry
Deduction	no change
Depreciation loss	no change
Designated sources	from OB to HG 5, index entry
Designated source investments	new, HG 5, index entry
Director	update references, HD 14
Director election	remove
Distribution	from OB to HC 11, index entry
Dividend	update references

Dividend withholding payment, dwp account, dwp account company, dwp credit, dwp credit account, dwp rules	no change
Effective interest	from OB to HB 45, index entry
Employee, employer, employment income	no change
Excepted group investment fund	from OB to HG 5, index entry
Excluded income	no change
Exempt income	no change
Exempt income limitation	no change
FIF loss, FIF rules	no change
Financial arrangement, financial arrangements rules	no change
Financial assistance	new, HC 34, index entry
Flat-owning company	expand coverage?
Foreign company	no change
Foreign non-dividend income	no change
Foreign trust	from OB to HC 9, index entry
Foreign-sourced amount	no change
Foreign superannuation scheme	no change
General permission	no change
Government superannuation fund	no change
Gross	no change
Group investment fund	from OB to HG 5, index entry
Group of companies	refer to rewritten Part I
Guardian	update references
Imputation credit, ic account, ic account company, imputation rules	no change
Imputation year	no change
Income	no change
Income tax, income tax liability	no change

Income year	no change
Interest	no change
Interested shareholder	new HD 14, index entry
International tax rules	no change
Levy	no change
Local authority	no change
Loss-attributing company	loss attributing qualifying company, to HB 3
Loss balance	refer to rewritten Part I
Māori authority	update references or index entry
Māori authority credit	no change
Māori authority credit account	no change
Māori authority rules	update references
Market value circumstance	no change
Market value interest	update references
Member	no change
Minor	update references
Money lent	no change
Net income	no change
Net loss	no change
New Zealand resident	no change
Nominee	no change
Non-cash dividend	no change
Non-complying trust	non-qualifying trust, from OB to HC 9
Non-discretionary trust	new
Non-qualifying trust	remove
Non-resident	no change

Non-resident taxpayer	update references
Non-resident trader	no change
Non-resident withholding income	no change
Non-residents' foreign-sourced income	no change
Non-standard balance date	no change
Notice	no change
Notify	no change
Offered or entered into in New Zealand	no change
Pay	update references
Pre-1983 investments	new, HG 5, index entry
Produce transaction	update references
Protected amount	from OB to HG 5, index entry
Provisional tax, provisional tax rules	no change
Public authority	no change
Qualifying company election tax	remove
Qualifying trust	remove
Rebate	remove, replaced with association rebate, HE 3
Refundable credit	no change
Registered	remove
Relative	update references
Relevant time	remove
Resident in New Zealand	no change
Resident withholding income	no change
Return of income	no change
Services	remove
Settlement	update references
Settlor	from OB to HC 24, index entry
Share	no change

Shareholder	update references
Shareholder dividend statement	no change
Shareholder election	remove
Specified superannuation contribution withholding tax	no change
Specified value	remove
Statutory producer board	update references
Superannuation fund	no change
Superannuation scheme	no change
Tax advantage	no change
Tax loss	refer to rewritten Part I
Tax loss component	refer to rewritten Part I
Tax year	no change (Part I references)
Taxable bonus issue	no change
Taxable distribution	from OB to HC 12, index entry
Taxable Māori authority distribution	update references
Terminal tax date	no change
This Act	no change
Trading stock	update references
Transfer of value	new
Trust	no change
Trust rules	update references
Trustee	no change
Trustee income	from OB to HC 6, index entry
Unit trust	update references
Voting interest	update references
Wholly-owned group	no change
OB 3	

OB 6	
OC 1	
OD 8	

Transfer of value—

- (a) means a transfer that occurs when—
 - (i) person A provides money or money's worth to person B; and
 - (ii) if person B provides any money or money's worth to person A as part of the arrangement described in paragraph (a), the market value of what person A provides is more than the market value of what person B provides; and
- (b) includes the release of an obligation that person B has to pay money to person A, either by agreement or operation of law; and
- (c) **transfers value** has a corresponding meaning.

Trust rules means—

- (a) sections DV 1 to DV 7 (which relate to superannuation funds):
- (b) section DV 9 (Trusts):
- (c) section GC 14 (Income of beneficiaries):
- (d) section GD 6 (Value of loans provided by superannuation fund deemed to be income of fund):
- (e) subpart HC (Trusts):
- (f) subpart HZ (Terminating provisions):
- (g) sections 59 and 93B of the Tax Administration Act 1994

Non-discretionary trust is a trust in relation to which the trustee has no discretion as to the source, nature, and amount of distributions to beneficiaries, including but not limited to the classification of trust property as capital or income

Amendments to Tax Administration Act 1994

33 Annual returns of income

...

- (4) The nominated company for a consolidated group is treated as a taxpayer for the purposes of this section. A company that is a member of a consolidated group in a tax year must not provide a separate return for a tax year, but this restriction applies only to a tax year, or a period of a tax year, in which the company is a member of the group.

Origin: (4) HB 1(1)(a)

92 Taxpayer assessment

...

- (7) The nominated company for a consolidated group is treated as a taxpayer for the purposes of this section. A company that is a member of a consolidated group in a tax year must not make a separate assessment for a tax year, but this restriction applies only to a tax year, or a period of a tax year, in which the company is a member of the group.

Origin: (7) HB 1(1)(d)

92AB Assessments of liabilities of shareholders of attributing companies

Commissioner's assessment

- (1) The Commissioner may assess the liability of a shareholder who has agreed under section HB 23 of the Income Tax Act 2004 to be personally liable for their share of the income tax payable by an attributing company.

Shareholder liable as agent

- (2) A person assessed under subsection (1) is liable as agent for the company.

Reduction in share

- (3) The Commissioner may reduce a person's agreed liability if, in the relevant income year,—
- (a) they first acquire shares in the company; or
 - (b) they dispose of all their shares in the company.

Requirements for reduction

- (4) To reduce a person's liability under subsection (3),—
- (a) the Commissioner must be satisfied that the reduction is appropriate; and
 - (b) the person must provide adequate accounts and other relevant information to show that the company's income tax liability attributable to the part of the income year in which they were a shareholder is proportionately smaller than the liability attributable to the full income year.

Assessments not prevented

- (5) An assessment of the company or the person does not prevent an assessment of the other.

Origin:	(1)	HG 8(1)(a)
	(2)	HG 8(1)(a)
	(3)	HG 8(2)
	(4)	HG 8(2)
	(5)	HG 8(1)(b)

93B Trustee income: Commissioner's power to assess

When this section applies

- (1) This section applies if a person—
- (a) fails to disclose details of a trust under section 59; or
 - (b) fails to provide information that the Commissioner has asked for under section 17 in relation to a trust; or
 - (c) is unable to obtain sufficient information to calculate the amount of trustee income in a tax year.

Amount determined by Commissioner

- (2) The Commissioner may determine in a fair and reasonable manner the amount of trustee income for the tax year.

Origin:	(1)	HH 7
	(2)	HH 7

166B Shipping business of absentee taxpayer

- (1) This section applies if an assessment is made in relation to—
- (a) an absentee who carries on a shipping business carrying goods or passengers; or
 - (b) a person who—
 - (i) is the master of a ship owned by or under charter to the absentee; and
 - (ii) is treated as an agent under section HD 21 of the Income Tax Act 2004.
- (2) The Commissioner may require a Customs officer to withhold the clearance of the ship pending the payment of any tax assessed.

Origin: (1) HK 18(1)
 (2) HK 18(2)