

Income Tax Bill

*Officials' Report to the Finance and Expenditure
Committee on Submissions on the Bill*

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Prepared by the Policy Advice Division of the Inland Revenue Department

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OVERVIEW OF SUBMISSIONS

The Income Tax Bill rewrites Parts F to Z and the Schedules of the Income Tax Act 2004 and re-enacts the remainder of the Act. It represents the final stage of the progressive rewrite of the Act, which began in the early 1990s. The first stage, completed in 1994, was the reorganisation of the Act to make its structure logical and coherent. The second stage was the rewrite of the Act's core provisions in 1996. The third stage was the rewrite of Parts C to E in 2004.

Most submissions on the bill came from professional associations. Five submissions were received, some of them very substantive.

Submissions raised points on a range of issues: transitional, structural, policy, technical and drafting. Of these, drafting issues and assurance that no change in outcome would arise were the most frequently raised. Additional consultation occurred with the New Zealand Institute of Chartered Accountants and the New Zealand Law Society.

A major concern arising from further consultation was that any changes in the words used in the rewritten legislation create a risk that unintended changes in existing law may occur in the bill. This risk arises because the courts generally interpret Parliament's intention on a particular issue through the words expressed in the legislation.

The main feature of this additional consultation was that the unintended change process should continue to be managed by an independent committee (currently the Rewrite Advisory Panel). If this process continues, the committee will consider whether issues brought to its attention from the rewritten legislation constituted unintended changes in law. If the committee concludes that such changes have occurred, it will recommend remedial legislation.

This process arose from an unequivocal statement of intent from the government before enactment of the 2004 Act that, when unintended changes in law are identified, retrospective legislation reinstating the meaning and effect of the law as set out in the Income Tax Act 1994 will be introduced.

The main policy matters raised in submissions relate to the term "permanent home" in the rewritten definition of "residence" and the policy intention of clause FA 3. In addition, some submissions and officials' own quality control work have noted the need to identify some provisions as intended changes.

Each of these policy matters is dealt with in the first section of the report. This is followed by a series of tables setting out officials' recommendations on submissions on the bill, including submissions from officials arising from their own quality control and updating work.

SIGNIFICANT POLICY ISSUES

Issue: Definition of residence

Clause YD 1(1), (2)

Submissions

(2 – KPMG)

(3 – New Zealand Institute of Chartered Accountants)

That “a permanent home” is not the same as a “permanent place of abode”; therefore the change in wording changes the existing law.

That a change in the law is not in accordance with the objectives of the rewrite to rewrite the Income Tax Act 2004; alternatively, the change has not been identified as an intended policy change that has been considered through the Generic Tax Policy Process.

That the Income Tax Bill should provide more guidance on how the test is to be applied.

Comment

One of the tests of tax residence for individuals is whether a person has a “permanent place of abode” in New Zealand. This term is undefined in the Income Tax Act 2004, and was introduced in 1980 in response to a court decision, apparently to copy a phrase used in the Australian income tax legislation. At that time, the policy files indicate that Inland Revenue considered that “permanent place of abode” was in essence a synonym for “permanent home”.

Since that time, Inland Revenue has published significant commentary that seeks to explain how “permanent place of abode” is to be interpreted in practice, involving consideration of a range of factors and not merely the existence of permanent accommodation and that commentary is widely cited and relied upon.

The Income Tax Bill adopted the wording of “permanent home” to replace “permanent place of abode”, being a more modern expression of the term having the same meaning as a matter of semantics. Officials also felt that “permanent home” was more likely to indicate to readers that the test did not refer merely to accommodation. The leading case in New Zealand on applying the residence test – *Geothermal Energy NZ Limited v Commissioner of Inland Revenue* in 1979 – interpreted the meaning of the term “home” (then used in the legislation). The judge gave an extensive summary of how the term should be applied, that involves an approach broadly similar to that in the Inland Revenue commentary on the meaning of “permanent place of abode”, which judicial summary is also commonly still cited as relevant.

However two submissions on the bill (KPMG and the New Zealand Institute of Chartered Accountants) considered that changing the wording in this way would lead to the law no longer including various nuances concerning how the term “permanent place of abode” is applied in practice, that relate to a person’s centre of economic interests.

After consideration of the submissions and points made in subsequent consultation, officials agreed that it would be desirable to reinstate the term “permanent place of abode” and defer, for a process allowing wider consultation, any updating of the language and possible insertion of further guidance on its meaning. The Institute noted that it would be helpful to refer for policy consideration the question of whether the residence rule should explicitly refer to a person’s centre of economic interest. Officials agree with the Institute’s suggestion.

Recommendation

That the submission be accepted.

Issue: Disposal of shares on revenue account under a dividend stripping arrangement

Clause FA 3

Submission

(5 – New Zealand Law Society)

That clause FA 3 results in an unintended law change as a result of the deletion of the proviso from the current section FC 3 and that the proviso should be reinserted into the clause.

Comment

Clause FA 3 rewrites section FC 3 of the 2004 Act, with the proviso rewritten in subclause (2), and is listed in Schedule 51 as being an intended change. The policy of the section is directed at a person who acquires shares on revenue account and who, by virtue of their shareholding, strips a dividend from the shares and disposes of the shares in a way that creates a loss for income tax purposes that offsets the taxable income from the dividend or offsets other taxable income.

Background

This rule was introduced in 1959.

The policy concern arose in the early 1950s. The Commissioner of Inland Revenue reported, on 25 March 1958, to the Minister in charge of the Department as follows:

Share Dealers Purchasing Shares “Cum Div” and selling “Ex Div” and claiming resulting loss for tax purposes

In New Zealand dividends are treated as non-assessable income. A taxpayer who deals in shares is assessable on any profits and likewise may claim any loss as a deduction against assessable income derived from other sources. In one instance, the taxpayer – ostensibly a share dealer – purchased shares in a company with large accumulated profits. This taxpayer then arranged for the company to declare a large dividend. This had the effect of substantially reducing the value of the shares which were then sold. The taxpayer claimed the resulting loss when in point of fact it was balanced by the non-assessable dividends.

Speech notes prepared for the Minister to introduce the bill in 1959 state:

The object of the amendment is to disallow part or all of any loss on the deal in cases where it is brought about by what is commonly known as “dividend stripping”. ... The clause is aimed at preventing manipulations to distribute the profits of a company in such a way that dividend tax is avoided. Representations have been made that in certain circumstances, the clause may result in part of the dividend being taxed as both a dividend and as a profit on the share sale. That is not the intention and I am having the drafting looked at again to ensure that there will be no double taxing.

The Department’s technical policy circular prepared in 1959 following enactment of the legislation notes that:

The object of the amendment is to disallow part or all of any loss on the deal in cases where it is brought about by what is commonly known as dividend stripping. ...

The position generally is that the dividend received is taken into account as income and no loss is allowed on the share deal.

The effect of the proviso is to avoid double taxation where an overall profit arises from the deal. ... The proviso is designed to avoid double taxation.

Until the Taxation (Core Provisions) Act 1996, the proviso worked by comparing the tax on the dividend to the tax on the overall “profit” on the share trade and, if the tax on the dividends was greater than the tax on the “profit”, there was no further tax to pay. The 1996 rewording, necessary because of the rewriting of the Act’s core provisions, meant the term “profit” could not be used, was intended to achieve the same result.

To summarise, the policy of this provision is:

- A loss on sale incurred by a person holding shares on revenue account will not be effective for tax purposes if that loss arises from dividend stripping arrangements (as defined in section FC 3).
- Denying the loss for tax purposes prevents that loss being offset against the dividend or (if the dividend is exempt) against other income.
- The dividend under the dividend stripping arrangement will be subject to the normal tax rules applying to dividends.
- Since 21 May 1999, the rule applies to all shares held on revenue account and so is no longer restricted just to persons dealing in shares.

The wording of section FC 3 of the 2004 Act

Officials agree that the 1996 wording in the proviso in section FC 3 of the 2004 Act (and 1994 Act) needed to be improved. This difficulty in easily ascertaining the meaning of the section was specifically noted in *Tax Information Bulletin* Vol 11 No 3, issued in October 1999:

As pointed out by submissions, further work on section FC 3 seems appropriate to simplify and clarify its wording.

The wording of clause FA 3 of the Income Tax Bill

This lack of clarity in the wording in section FC 3 is addressed in rewriting the provision in the Income Tax Bill as clause FA 3, with the rewritten proviso in subclause (2).

As part of preparing that drafting, the draft provision was included in the Exposure Draft on Part F, issued in November 2005. Two submissions were received on clause FA 3. One submission was from the New Zealand Institute of Chartered Accountants which stated that “the simplification approach and the removal of the proviso are acceptable”. The second submission was from a legal firm that made essentially the same argument now being put forward by the Law Society.

Officials carefully considered the submission from the legal firm and concluded that the analysis contained an interpretation of section FC 3 that would defeat the policy intention of the rule. It would mean that, in a case where dividends are taxable, the loss on the share sale offsets the taxable dividend. It would mean that the rule only operated in the case of exempt dividends. The legislative history makes it clear beyond doubt that the rule was never intended only to apply to exempt dividends.

Therefore, officials declined that submission.

Overview of how clause FA 3 meets the policy intent

Clause FA 3 is drafted to clearly express the policy of denying an artificial loss arising from a dividend stripping arrangement that offsets either a taxable dividend or tax on other income. This is best illustrated using the example given by the Law Society on pages 2–3 of its submission.

In the absence of section FC 3 (clause FA 3 of the bill), the shareholder would have a loss on sale of \$20 which they could offset against the dividend in calculating their taxable income for the income year. Of the \$200 dividend, only \$180 would be taxable. The policy of the rule is to deny that loss and ensure the dividend is fully taxed.

Clause FA 3 operates by creating a deemed amount of income no less than the stripped dividend but no greater than the artificial loss arising because of the dividend stripping arrangement. In the example, the amount of income created under this rule is equal to the artificial loss (\$20) so that the loss cannot reduce tax on the dividend.

By adopting this drafting approach, no profit on sale can arise under the provision. This means that the dividend is treated as an additional amount on the sale only to the extent of the loss and not to the extent that a profit would result in taxation on both the dividend and the profit (in other words, double taxation). This means that the effect of the proviso to section FC 3(1) of the 2004 Act is achieved in a clearer way.

Intended change

Officials consider this same result would arise under current section FC 3, having regard to its clear legislative history. Officials consider the interpretation of the provision offered by the Law Society defeats the policy intention of the rule, reducing it to a provision only operating in the case of exempt dividends. This is contrary to the clear intention that it also applies to taxable dividends. Officials do not consider this outcome is double taxation, as the rule only denies an artificial loss that would otherwise be used to offset tax on the dividend or against other income and does not result in an artificial profit on sale that would be also taxed.

Officials do not agree that this drafting change in FA 3 represents an unintended change as clause FA 3 is listed in Schedule 21, being a provision with an intended change. The omission of the proviso is intended. The Rewrite Advisory Panel reviewed and agreed to the drafting for this clause and its listing as an intended change in the bill.

Further consultation

Subsequent consultation with the Society occurred, detailing the history of the rule, which resulted in the Society acknowledging that officials' view of the policy intention and application of the rule was correct.

However, the Society also noted that the more general anti-dividend streaming rule, now in clause GB 1, overlapped the rule in clause FA 3, and that a policy review of clause FA 3 should occur as a matter of priority. Officials agree this policy review should occur.

The Society also suggested some minor rewording of clause FA 3(2) to make the policy intent even clearer, to which officials have agreed.

Recommendation

That the submission be declined but that the relationship of the rule to the structure of the Act and in particular to the anti-avoidance rule relating to dividend stripping is considered for inclusion as a priority matter on the policy work programme.

Issue: Intended changes in law

Clause: Schedule 51

Submission

(5 – New Zealand Law Society)

That clause LC 9(2) should be noted as an intended change.

(Officials)

That clause LC 9(2) and the definitions of land, mortgage and pay in clause YA 1 be listed in Schedule 51 as an intended change.

Comment

Officials have continued their quality control review of the clauses in the bill, and now list below a number of definitions and clauses that they consider should be included in schedule 51 as intended changes in law. The Rewrite Advisory Panel considers it is appropriate for these provisions to be noted as intended changes in law:

<i>Clause in the bill</i>	<i>The change in law</i>
LC 9(2) apportionment for tax credit for an absentee: housekeeper and low income	<p>This rule relates to the housekeeper and low income tax credits (formerly termed rebates). The policy of the rule is to apportion income of an absentee between periods of the person's absence and presence in New Zealand. The apportionment set out in the bill is on a daily basis.</p> <p>In the interest of simplification, the bill omits from the 2004 Act corresponding rule the formula that apportioned the income on a "weeks" basis for persons with "regular pay periods". A change in effect is anticipated, but the omission should result at most in a small difference in outcome in favour of taxpayers.</p> <p>The New Zealand Law Society indicated in their submission on the bill that it would be preferable to list this as an intended change.</p>
YA 1 definition of "land"	<p>The provision is simplified and structured so that the first three paragraphs of the rewritten definition are to apply generally for the Act. This is consistent with the objectives of plain accessible legislation and is thought highly unlikely to result in any material change in law. However, as this change in drafting could conceivably result in a change in outcome in some circumstances, the change should be identified for readers.</p>
YA 1 definition of "mortgage"	<p>The definition of "mortgage" was introduced at a time when mortgages were subject to tax as a subset of land tax. The drafting in the bill provides for the term to apply generally for the Act. This is consistent with the objectives of plain, accessible and up-to-date legislation and is thought highly unlikely to result in any material change in law. However, as this change in drafting could conceivably result in a change in outcome in some circumstances, the change should be identified for readers.</p>
YA 1 definition of "pay"	<p>The provision is simplified and structured to apply generally for the Act. This is consistent with the objectives of plain accessible legislation and is thought highly unlikely to result in any material change in law. However, as this change in drafting could conceivably result in a change in outcome in some circumstances, the change should be identified for readers.</p>

Recommendation

That the submission be accepted.

**TABLE OF OFFICIALS' RECOMMENDATIONS ON SUBMISSIONS
ON BILL –**

RECOMMENDED TO BE ACCEPTED

The following table lists technical and drafting issues raised in submissions that officials recommend be accepted.

Parts C to E – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That in clause CD 50(8), the words “including interest and discount on issue” should be removed from brackets.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That, clause CT 6(1), the words “petroleum mining permit” should be replaced by “petroleum permit”.	<p>Officials agree with the submission. The policy intent of section CT 6 is that it applies to all types of petroleum permits, not just a mining permit.</p> <p>However the policy and scope of the rule in the 2004 Act extended to permits in relation to petroleum as well as existing privileges (as defined in the Crown Minerals Act section 106) for mining and exploration licences under Part 1 of the 1937 Act.</p>	<p>That the submission be accepted.</p> <p>That as a consequence of this submission the term “petroleum mining permit” in the bill be replaced by “petroleum permit”.</p> <p>That the defined term in clause YA 1 “petroleum permit” be restored and that the term “petroleum mining permit” as indicated in appendix 1 be retained but consideration given to whether it needs to be a defined term or whether the direct reference to the Crown Minerals Act can be made within the relevant section (DT 6(c)).</p>
New Zealand Institute of Chartered Accountants	That the words “the vines or trees” should be replaced by the words “the non-listed horticultural plants” in paragraph (b) and (c) of clause DO 4(6).	Officials agree that the concept of non-listed horticultural plants provides scope for the CIR to list types of plants that are other than vines and trees. This was a policy extension introduced in the Taxation (Venture Capital and Miscellaneous Provisions) Act 2004. The TIB item on the Act noted “It retains the same treatment that was previously provided for vines and trees and operates as a kind of default rule for horticultural plants not listed by the Commissioner.”	That the submission be accepted.
New Zealand Institute of Chartered Accountants	In clause DV 16, that the words “to the extent to which the expenditure or losses arises” should be replaced by the words “except to the extent to which the expenditure or loss arises”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants and the New Zealand Law Society	<p>That, in clause DV 19(2), paragraph (a) should cross-refer to subsection (4) rather than subsection (3).</p> <p>That paragraph (b) of clause DV 19(2) should cross-refer to subsection (5) rather than subsection (4).</p>	Officials agree with the submissions.	That the submissions be accepted.

Parts C to E – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	Clause DV 19(7) has been oversimplified. Currently, statutory producer boards are exempt from section HF 1(2)(b) and this is not reproduced. If the intent is that a SPB is able to deduct the full amount of an association rebate without reference to mutual transaction entered into, then that is a change in policy.	Officials consider the rule is intended to address the timing of the deduction rather than the criteria for having the deduction. Officials agree this should be clarified to overcome the ambiguity identified.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	The heading to subclause EA 3(4) “Determination of values” should be “unexpired portion: expenditure on goods”.	This is an issue of drafting consistency. No policy issue arises otherwise.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the heading to subclause EB 24(4) should refer to “Disposals of timber” rather than “Disposals of trading stock”.	Agree that the subject matter of the subclause is to do with rights to take timber as well as standing timber (with exceptions).	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That, in clause EJ 23(3), the wording “ofdeductions” be replaced by “of deductions.”	Officials agree with the submission.	That the submission be accepted.

Part F – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the subheading to subclause FA 8(2) is grammatically incorrect.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That the subheadings to subclause FA 14(2) is grammatically incorrect.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the terms “carrying on” and “carrying out” should be used consistently between sections FB 4(2) and FB 4(3).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That, in clauses FB 6(2) and FB 7(2), the clarity of current section FF 7 is lost and that the transferee should be mentioned.	The subject matter of these provisions is the transfer of the relationship property and the value placed on that transfer. While officials consider it is unnecessary to refer to the transferee giving consideration, officials agree that separating the acquisition and the value into two or three paragraphs in subclause (2) would improve clarity.	That the submission be accepted in relation to improving the clarity.
New Zealand Institute of Chartered Accountants	That paragraph (b) of the definition of “close relative” in clause FC 1(2) should be removed.	The policy intention of the close relative restriction is that the roll-over relief applies so long as all assets in the tax base of the deceased being transferred pass to the spouse or de facto partner or another person who is a relative within the second degree of relationship of the deceased person. The intention behind the drafting of (b) appears to be to ensure that the 2nd degree of relationship test is not applied to a spouse, civil union partner, or de facto partner. However, NZICA’s submission identifies that the paragraph could have a different outcome from that intention. The wording could be restructured into the opening words.	That the submission be accepted.
New Zealand Law Society	That, in clause FC 2, the timing of determining market value for the transfers other than on death should be clarified.	Although it should not be necessary in a plain language environment, the timing is clarified as a matter of consistency.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That subclause FC 8(3) should be renumbered FC 8(2).	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That in clause FE 6(3), the words “the amount is calculated using the formula-” should be inserted before the formula in section FE 6.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the subheading for section FE 30(3) should be “When company A cannot be part of group”.	Officials agree with the submission.	That the submission be accepted.

Part F – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That the formula in section FF 6(4) should use the term “tax rate” rather than “rate” to be consistent with the defined term “tax rate” in subsection FF 6(5)	Officials agree that the parameters should be consistent.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That section FF 7(2)(b) should be split so that each paragraph deals with a separate item.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That section FF 7(6)(b) should refer to subsection (3) rather than subsection (4).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause FL 1(2), the meaning of “just before” is unclear.	This term is an alternative term to “immediately before,” as used in other provisions in the bill. While officials consider the meaning is clear, officials consider that the submission raises a point of drafting consistency, and agree that one phrasing should be adopted for this purpose and suggest the term “just before” be replaced by “immediately before”.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the heading to subsection FM 3(1) should be “Taxable income of consolidated group” rather than “Taxable income of group” to be consistent with the terms used in subpart FM.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That subsection FM 10(2) should state what the exceptions to the section are.	A rule setting out whether an expenditure or loss is a deduction must be listed in Part D. Clause FM 10(2) refers to the rule in clause DV 16(2)(a) and (b) which refers to the exceptions. However, it could improve access to the exceptions if subclause FM 10(2) were extended along the lines “unless the exceptions in section DV 16(2)(a) or (b) apply”.	That the submission be accepted, but that the drafting identify the location of the exceptions to the denial of the deduction in clause DV 16.
New Zealand Law Society	That in clause FM 30, the compare note should include section NH 4(9).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause FN 5 clarifies that a resident imputation subgroup can be formed with one company.	Officials agree with the submission, but that the clarification is better placed in clause FN 8.	That the submission be accepted.
New Zealand Law Society	That clause FN 9 should contain a reference to the effective date for becoming a member of an imputation group.	Officials agree with the submission.	That the submission be accepted.

Part F – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That subclause FO 3(1)(c) should state that a company that derives only exempt income includes a local authority that is not a council-controlled organisation.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That, in clause FO 4, a reference to “privileges” should be reinstated as it is different from the concepts of “rights and powers”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That subclause FO 15(4) is unnecessary as it repeats subclause FO 15(2).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That subclause FO 18(4) should clarify that it applies to the amalgamating company as the borrowing company and that it overrides subclause FO 18(2)(b).	<p>Officials agree that subclause FO 18(4) should override subclause FO 18(2)(b), as FO 18(1) to (3) are intended to apply only if the amalgamating company is solvent. Officials agree that this should be clarified.</p> <p>Subclause FO 18(4) states that the “amalgamating company that is the borrower ...”. Officials consider this is sufficiently clear that the amalgamating company is the borrowing company.</p>	That the submission be accepted in relation to clarifying that subclauses FO 18(1)-(3) apply only when the amalgamating company that is the borrower is solvent.

Part G – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That subclause GA 1(6) should have a reference to subsection (2) to prevent any potential misapplication of this provision.	Officials consider that the linkage is sufficiently clear in a plain English drafting context, but agree that this could improve the clarity of the relationship given other subclauses contain appropriate cross-referencing.	That the submission be accepted.
New Zealand Law Society	That in clause GA 2, the words “but for the arrangement” have a potentially wider meaning than the words “if the arrangement had not been made or entered into”. This would be a law change. The words “but for the arrangement” should be replaced by “had the arrangement not occurred”.	The use of “but for the arrangement” is intended to be a plainer phrasing of the corresponding phrase in the 2004 Act. While officials consider that there is no material risk of the wording being read more widely, in clause GA 2 should be worded in the same was as clause GA 1. Therefore the phrase “but for the arrangement” should be replaced by “had the arrangement not occurred” in clauses GA 2, GB 31 and GB 44 for consistency with clause GA 1.	That the submission be accepted.
New Zealand Law Society	That the reference in subclause GB 8(1)(c) to “a purpose or effect” does not reflect section GC 8 of the 2004 Act, which clearly requires that the arrangement has “the purpose or effect”.	Officials agree that the wording “a purpose or effect” should be replaced by “the purpose or effect”.	That the submission be accepted.
New Zealand Law Society	In clause GB 9, the test of whether the disposal is to a NZ resident who has a 10% or more income interest should be determined immediately after disposition.	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	In clause GB 10, the test of whether the acquisition is from a NZ resident who has a 10% or more income interest should to be determined immediately before the acquisition.	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	That, in subclause GB 13(1)(b), the words “immediately after the disposition” should be inserted after “the disposal is not to a New Zealand resident who”.	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	That for clarity, in clause GB 14(1)(b), the words “immediately prior to the disposition” should be inserted after “the acquisition is not from a New Zealand resident who”.	Officials agree with this submission.	That the submission be accepted.

Part G – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That paragraphs (b) and (c) of clause GB 19(1) could potentially be narrower in scope because the requirement that the payment is contingent in (1)(c) is in addition to an agreement to defer payment in (1)(b).	Officials agree that the contingent payment test should not apply to paragraph (b).	That the submission be accepted.
New Zealand Law Society	That in subclause GB 24 (2)(g)(ii) the phrase “shares or losses” should be replaced by “shares of losses”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause GB 36(2), that the words “to the extent to which this subsection applies to the arrangement” should be inserted after “Subsection (1) does not apply”.	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	That the words “or effect” should be deleted from clause GB 39(1)(b). Section GC 25 of the 2004 Act does not refer to an effect of the arrangement.	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	In GB 43, that the words “to the extent to which this subsection applies to the arrangement” should be inserted at the end of subsection (2).	Officials agree with this submission.	That the submission be accepted.
New Zealand Law Society	That the words “unless the land is subject to a right in favour of the seller to take timber” should be inserted at the end of clause GC 2 (1)(b). The omission of those words could unintentionally widen the application of clause GC 1.	Officials consider that the rewording to refer only to “a disposal of standing timber” helps to clarify the application of the rule, but agree that equivalent qualifying words should be reinserted to avoid the residual possibility of a change in law. Officials consider the wording in clause GC 2(3) adequately addresses the matter raised in the submission.	That the submission be accepted.
New Zealand Law Society	That in subclause GC 6 (3)(b): “if” should be replaced by “and”.	Officials agree with the submission.	That the submission be accepted.

Part H – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That the terms “qualifying company” and “loss attributing qualifying company” be retained.	<p>Before the rewrite of the Income Tax Act 1976, the term “qualifying” was used a number of times in defined terms. An objective in the rewrite has been to refine the defined terms to give the reader a clearer sense of the underlying policy.</p> <p>It has been difficult to find an appropriate wording that best provides insight into the underlying policy for both a loss attributing qualifying company and a qualifying company. The word “attributing” was chosen because of its dictionary meaning of treating something as belonging to something else. The term “attributing” in “loss attributing qualifying company” effectively means “transferring to”. Relevant aspects of the definition of the word “attribute” from the Shorter Oxford English Dictionary¹ are: “To assign, give or concede to a person <u>as a right</u>”; “Ascribe as belonging or appropriate to”; “Ascribe to as an inherent quality or characteristic”; “Ascribe to as an effect or consequence”. The word “ascribe” is defined in the Shorter Oxford Dictionary as “assign or impute to someone or something as an action, effect, product, etc, or as a quality, characteristic or property (rarely in a material sense”); or “reckon up, count up”.</p> <p>However, it is agreed that the term “attributing company” may be misleading. On balance, officials consider that replacing the terms “qualifying company” and “loss attributing qualifying company” with the terms “attributing company” and “loss attributing company” will not provide sufficient benefit to justify the change in term. However, generally, the aim of this completion of the rewrite exercise will be to avoid using labels of limited meaning, such as “qualifying” or “special”, in favour of terms that give more information to a reader.</p> <p>The government has also signalled the possibility that the qualifying company rules are to be reviewed.</p>	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That clause HA 1(1)(a) be reworded and that the word “treated” should be removed from section HA 1(1)(b).	Officials agree with the submission.	That the submission be accepted.

¹ Oxford University Press, 5th Ed., 2002.

Part H – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the reference in clause HA 6(1)(b) to a “flat-owning company” should be included in the definition of “flat-owning company” in clause YA 1.	Officials consider that the term “flat-owning company,” is at present an undefined term. However, the policy is that for the purposes of entry to the qualifying company rules, this type of company must be a “body corporate” through which shareholders obtain use of residential property. Therefore, it would be appropriate to have the definition in clause YA 1 that relates to clause CD 31 also apply to clause HA 6. Officials consider that this is consistent with the criteria set out in section OB 3(1)(b)(ii) (Definition of qualifying company).	That the submission be accepted.
New Zealand Law Society	That clause HA 7(3) should include civil unions and de facto relationships.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause HA 8(5) should only apply to situations where a group of shareholders assume the income tax liability for the minority shareholders in an attributing company, as described in subsection (3).	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That clause HA 10 should use the term “shareholder decision-making rights”, as defined in clause YA 1.	Officials agree that the defined term “shareholder decision making-rights” seems to duplicate the outcome under clause HA 10. This would be a sensible rationalisation.	That the submission be accepted.
New Zealand Law Society	In clause HC 1, that the compare note should include section GC 14 and that clause HH 7 should be omitted from the compare note.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause HC 6, that the compare note should omit section OF 2(2).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause HC 15(5)(a)(ii), the reference to 1988 version provisions should be omitted.	Officials agree with the submission.	That the submission be accepted, but that the words “”, or the 1988 version provisions” be added at the end of the subparagraph.
New Zealand Law Society	That in clause HC 36, the references to sections OC 9 to OC 11 of the 2004 Act should be amended to refer to clauses YB 9 to YB 11.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That the agency provisions in the bill in subpart HD create uncertainty about which income the agency obligation relates – in particular, clauses HD 10, HD 19, HD 20) and HD 27.	Officials agree that the drafting could clarify the nature of the obligations.	That the submission be accepted.

Part H – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the formula in clause HD 7(1) results in an amount of tax payable rather than a rate of tax.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That the parameters of the formula in clause HD 7(1) are confusing and should be clarified.	Officials agree that this rule can be simplified further. The calculation effectively results in the effective tax rate on the taxable income of the principal is then used to calculate the tax payable on the taxable income under the agency.	That the submission be accepted.
New Zealand Law Society	That clause HD 7(2)(B) should reflect that a rate scale may apply and a single rate will not produce the correct outcome.	Officials agree that the formula is intended to calculate the effective tax rate that takes into account marginal tax rates.	That the submission be accepted.
New Zealand Law Society	That clause HD 7(2)(c) should define proportion of agency taxable income as the proportion of a principal’s taxable income that relates to the agency.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause HD 15(3)(a) should state that a director record their dissent with both the company and the CIR.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause HD 19 omits a reference to “principal”, and this may extend the scope of the rule.	Officials agree with this submission for reasons of consistency.	That the submission be accepted.
New Zealand Law Society	That in clause HD 20, the change in drafting in relation to apportionment may give rise to an unintended change in outcome from that under section HK 17 of the 2004 Act.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause HD 26, the reference to “gross income” should be replaced by a reference to “income”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause HE 2, the provision uses an undefined term “trading transaction” and that subclause (2) requires a transaction to be both a trading transaction and one or more of the transactions referred to in (a) to (c).	Officials agree with the submission. Officials agree that the phrase “is a trading transaction” is unnecessary and can be omitted and the word “is” on line 2 of the clause HE 2(2) should be replaced by the word “includes”.	That the submission be accepted.
New Zealand Law Society	That clause HF 11 (3) refers to “time notice is given” but does not specify which notice.	Officials agree with the submission.	That the submission be accepted.

Part H – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause HR 2(3) treats Category A Income derived by a GIF as income of a notional company and that this is a more realistic reflection.	Officials agree with the submission (assuming that the “notional company” treatment is the “more realistic” treatment) and note that the definition of “company” also recognises this notional company treatment in paragraph (c) of that definition.	That the submission be accepted.
New Zealand Law Society	That in clause HR 5(6), the placement of the word “not” after “mutual association” should be reconsidered.	Officials agree with the submission.	That the submission be accepted

Part L – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the compare note for clause LB 3 should include section NF 8B(b).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause LC 9 omits one of the tests in current section KF 3: the number of weeks test. It should be noted as an intended change.	Officials agree that the calculation methods have been rationalised to a single basis and also agree that this change is intended. This is a rationalisation that should be noted in Schedule 51.	That the submission be accepted, and that the change is noted as an intended change in Schedule 51.
New Zealand Institute of Chartered Accountants	That clause LC 9 is narrower than section KF 3 of the 2004 Act.	<p>Section KF 3 of the 2004 Act applies when a person:</p> <ol style="list-style-type: none"> 1. is not resident in New Zealand for part of a tax year (an absentee); and 2. is entitled to any or a combination of the child rebate, the transitional tax allowance or the housekeeper rebate (sections KC 1 to KC 4 of the 2004 Act). <p>Section KF 3 apportionment these rebates based on the period the person derives remuneration for personal services that is assessable income. For an absentee who had regular pay cycles the apportionment was based on [complete] weeks, and in all other situations the apportionment was performed on a daily basis.</p> <p>There appears to be no policy reason why a single calculation should not produce a correct apportionment of the relevant rebate. Consequently the apportionment calculation was rationalised to a single daily basis, which would provide a small benefit for absentees with regular pay cycles.</p> <p>However, the words “for regular pay periods” should be omitted from clause LC 9(3)(b).</p> <p>We do not agree with the Institute’s comments that section KC 1(3) of the 2004 Act would apply to an absentee. The policy is that an absentee is not permitted this rebate. Also, the policy of section KC 3 is that it does not apply to a person who is a non-resident of New Zealand throughout the year. It was unnecessary to consider these distinctions in policy in rewriting these provisions.</p>	That the submission be declined but that the correction be made to clause LC 9(3)(b).
New Zealand Law Society	That in clause LC 11(2), reference to subsection (5) should be to subsection (4).	Officials agree with the submission.	That the submission be accepted.

Part L – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That in clause LC 11(2)(c) there would be better clarity if the word “reducing” were replaced by “calculating”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause LD 1(2), “33%” should be replaced by “33 and one third %”.	Officials agree with the submission. However, the wording of the provision requires some reconsideration to reflect more clearly that the policy extends beyond a charitable purpose.	That the submission be accepted.
New Zealand Law Society	In clause LE 5(2), the formula does not replicate the existing formula: item (c) total beneficiary credits should be increased by supplementary dividends paid to beneficiaries. In addition, the layout could be better to show subtraction of person’s supplementary dividend was separate from the rest of the formula.	Officials agree that item (c) should include the amount of supplementary dividends paid to the beneficiaries. However, the layout is subject to printing constraints.	That the submission be accepted.
New Zealand Law Society	In clause LE 6, the formula does not replicate the existing formula: item (c) total beneficiary credits should be increased by supplementary dividends paid to beneficiaries.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause LF 1, the cross-reference in subsection (5) should be to section LF 8 rather than section LF 7.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause LF 3, the formula does not replicate the existing formula: item (c) total beneficiary credits should be increased by supplementary dividends paid to beneficiaries.	Officials agree that item (c) should include the amount of supplementary dividends paid to the beneficiaries.	That the submission be accepted.
New Zealand Law Society	In clause LF 4 the formula does not replicate the existing formula: item (c) total beneficiary credits should be increased by supplementary dividends paid to beneficiaries.	Officials agree that item (c) should include the amount of supplementary dividends paid to the beneficiaries.	That the submission be accepted.
New Zealand Law Society	That clause LF 8(3)(a) should end in “and/or”, and not end in “or”.	Officials agree that the policy is that the two limitations are not alternatives in the corresponding provision (section LD 9(2) of the 2004 Act).	That the submission be accepted.
New Zealand Law Society	That clause LJ 1(5) does not make sense.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That the reference in clause LK 1(3) should be to subpart LQ (Tax credits for CTR companies).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause LK 5, in the compare note: add section LC 4(6).	Officials agree with the submission.	That the submission be accepted.

Part L – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That in clause LL 3, the formula in subsection (1) does not replicate existing formula. The “1” should be outside the division.	Officials agree with the submission. The formula calculating the amount of the “grey list dividend” should be corrected.	That the submission be accepted.
New Zealand Law Society	In clause LL 6, the formula in subsection (3) does not replicate existing formula. ((relevant standard dividend + q + q) x company tax rate) – tax withheld.	Officials agree with the submission. The bracket before “company rate” should be omitted and a “)” bracket inserted after “company rate”.	That the submission be accepted.
New Zealand Law Society	In clause LO 2, the formula does not replicate the existing formula: item (c) total beneficiary credits should be increased by supplementary dividends paid to beneficiaries.	Officials agree that item (c) should include the amount of supplementary dividends paid to the beneficiaries.	That the submission be accepted.
New Zealand Law Society	In clause LP 6(1)(b) the words “unless the provision expressly refers to this subsection” should be added.	Officials agree with the submission. The effect of the words in brackets from subsection LE 2(11)(b) of the 2004 Act should be included in the rewritten provision.	That the submission be accepted.
New Zealand Law Society	In clause LQ 5(5)(b) the words “unless the provision expressly refers to this subsection” should be added.	Officials agree that the effect of the words following “constitution” in section LG 1(4)(b) of the 2004 Act should be included in the rewritten provision in subparts LP and LQ.	That the submission be accepted.

Part M – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause MB 4(4) repeats the formula expressed in subsection (2). If the subsections are to perform separate functions, this should be made clearer.	Officials agree that the two subsections should identify their relationship. However an amendment to the corresponding provision in the 2004 Act by section 103(2) of the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006 needs to be incorporated.	That the submission be accepted.
New Zealand Law Society	Clause MB 5 (3) should exclude amounts attributable to a contribution by the person as a member of the scheme, rather than simply an amount of a contribution. The words “attributable to” are necessary.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	In clause MB 5, it should also be made clear that the inclusion of distributions from super schemes in assessable income is for the purpose of calculating family scheme income only.	Officials agree with the submission.	That the submission be accepted.
Child Poverty Action Group	That clause MD 9(4)(a) should be omitted or alternatively the relationship with clause MD 9(4)(d) be clarified.	<p>Clause MD 9(4) contains the provisions from section KD 2AAA(8) of the 2004 Act as they were at the time of introduction of the bill.</p> <p>However section 105 (1)(c) of the Taxation (Savings investment and Miscellaneous Provisions Act) 2006, which was assented to after the bill was introduced, amends this rule. The amendment clarifies that recipients of earnings-related compensation for incapacity arising from an accident under the Injury Prevention, Rehabilitation and Compensation Act 2001 may be eligible for the in-work payment.</p> <p>Officials agree with the comment that paragraph (d) could be clarified by indicating more clearly that it is referring to the full-time earner tests in subclause MD 9(1)(a).</p>	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	In clause OA 8(7), the paragraphs should be linked by “and” not “or”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	Clause OA 9(2) reflects the general rule that credit/debit transferred, but does not reflect the specific rule for assessing continuity for transferred credits for all times before amalgamation (tested by reference to interests formerly held in an amalgamating company). See current section ME 29(1)(a).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	Clause OA 14(4) reflects the general rule that credit/debit transferred, but does not reflect the specific rule for assessing continuity for transferred credits for all times before amalgamation (tested by reference to interests formerly held in an amalgamating company). See current section ME 29(1)(a).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	Clause OB 1(2)(a)(ii) should exclude a company acting only in capacity of trustee from being required to maintain ICA, and GIFs that derive only category B income.	Officials agree that sub-paragraph (ii) should contain an exclusion for a company acting in a trustee capacity, other than a company that is a GIF. There appears to be an inadvertent omission of the phrase “not being a company that is a trustee” which should have appeared before “of a group investment fund to which paragraph (c) of the definition of company ...”.	That the submission be accepted but that the provision not refer to category B income.
New Zealand Law Society	That clause OB 1 (3) should be amended to allow Australian-resident companies excluded under subsection (2)(a)(i) and (v) to maintain an ICA.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 2(3)(b) should apply only for purposes of section OB 60.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 2(3) omits reference to the CIR’s discretion to allow the notice to take effect from the beginning of the tax year for the purpose of section OB 60.	Officials agree with the submission. Officials consider that the drafting should be aligned with that set out in section OB 3(8)(c), and this would ensure that the Commissioner’s discretion can be exercised.	That the submission be accepted.
New Zealand Law Society	That clause OB 2(7) should provide that a company ends its status as an Australian ICA if it is ineligible to maintain an ICA. Subsection (8) currently makes no sense (for the purposes of subsection (7)).	Officials agree with the submission.	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause OB 19(4) is incorrect: the credit arises on 31 March of the income year in which the expenditure is deducted. It should also be made consistent with the debit date in clause OB 46(4).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 27(1) needs amending: an Australian ICA company is intended to be allowed a credit for all NZ taxes paid by the company, including where the tax is withheld by others (as is usually the case with NRWT).	Officials agree that the phrase “amount withheld by the company” should refer to the payer of the non-resident passive income.	That the submission be accepted.
New Zealand Law Society	That clause OB 38(1) should only apply to companies at a time when they are not FDPA companies (see current section ME 5(1)(m)).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 39(5) should ensure that for method 2 to apply the company must be an FDPA company for the whole of the tax year (see current section ME 5(7)).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 46(4) is incorrect: the credit arises on 31 March of the income year in which the expenditure is deducted. It should also be made consistent with debit date in clause OB 19(4).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 61(6) should provide that subsections (4) and (5) do not apply if an ICA company files a ratio change declaration. Under current section ME 8(3) it is clear that no breach occurs, not that the consequences of a breach are prevented.	Officials agree that the words “the consequences of” a breach are inappropriate and should be replaced by an override of subsection (5).	That the submission be accepted.
New Zealand Law Society	That clause OB 66(2) provides that an ICA company must pay further income tax on the day it stops being an ICA company. It should be “by the day”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OB 67(1)(b) should refer to credits arising in the account in the following tax year, rather than to a single credit.	Officials agree with the submission.	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause OC 4(3)(b) provides that a company may only end its existence as an FDPA company if it “pays further FDP under sections OC 30 or 31”, but the company may have not FDP to pay under these sections: it should refer to “any further FDP payable under sections OC 30 or OC 31”.	Officials agree that a clarification would improve the linkage and readability, but the standard drafting style is “if any”.	That the submission be accepted.
New Zealand Law Society	That clause OC 28 should provide that subsections (4) and (5) do not apply if an ICA company files a ration change declaration. Under current section ME 8(3) it is clear that no breach occurs, not that the consequences of a breach are prevented.	Officials agree that the words “the consequences of” a breach are inappropriate and should be replaced by an override of subsection (5).	That the submission be accepted.
New Zealand Law Society	That clause OC 31 provides that an ICA company must pay further income tax on the day it stops being an ICA company. It should be “by the day”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OD 4(3)(b) provides that a company may only end its existence as an FDPA company if it “pays further FDP under sections OC 30 or 31”, but the company may have not FDP to pay under these sections: it should refer to “any further FDP payable under sections OC 30 or OC 31”.	Officials agree that a clarification would improve the linkage and readability, but the standard drafting style is “if any”.	That the submission be accepted.
New Zealand Law Society	That clause OD 15 should refer to a CTR company that is part of a wholly-owned group rather than a consolidated group (see current MI 5(1)(f)(iii) and OE 7(3)(c)).	Officials agree with the submission but note that the same question arises in clause OD 14.	That the submission be accepted.
New Zealand Law Society	That clause OD 18 should make explicit that clauses GB 35 and GB 36 apply to CTR credits as if they were an FDP credit.	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OD 21 should provide that subsections (4) and (5) do not apply if an ICA company files a ratio change declaration. Under current section ME 8(3) it is clear that no breach occurs, not that the consequences of a breach are prevented.	Officials agree that the words “the consequences of” a breach are inappropriate and should be replaced by an override of subsection (5).	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause OE 4 should provide that a company/person that becomes a non-resident of New Zealand stops being a BETA company.	Officials agree with the submission. Officials consider that providing for the consequence of the loss of eligibility to maintain a memorandum account should ideally be consistent across all memorandum accounts, and will do further work on the feasibility of a generic rule.	That the submission be accepted.
New Zealand Law Society	Clause OE 7 (6) is confusing as the two references to income tax liability are to two different concepts. The first is to the company’s income tax liability for attributed CFC income (calculated under subsection (8)), the second is to the company’s overall income tax liability calculated under core provisions. This should be clarified.	Officials agree that the attributed CFC liability should be calculated on the basis it was the only income derived by the company. A standard drafting approach exists for this situation.	That the submission be accepted.
New Zealand Law Society	Clause OE 11 provides a credit date for when a BETA company with debit balance ceases to a BETA company. But in current section MF 4(2)(e) it is when the company ceases to be resident in New Zealand. If it is clear in clauses OE 4 and OE 18 that the date a company stops being a BETA company is the same date that it becomes not resident in NZ, that would be acceptable.	Officials agree that the matter needs clarification. Officials consider that providing for the consequence of the loss of eligibility to maintain a memorandum account should ideally be consistent across all memorandum accounts, and will do further work on the feasibility of a generic rule.	That the submission be accepted.
New Zealand Law Society	Clause OE 12(1)(c) refers to BETA debits for an amount of a payment of FDP that “may have been paid to reduce a tax loss”. The words should be “may have been paid by an election to reduce a tax loss”. The same problem is in clause OP 105. It may not be correct to refer to FDP being “paid” as no payment is ever made. What date is “day of payment”? However the same problem exists in current section MF 4(4)(a). Clauses OE 12(3) and OP 105(3) should be consistent.	Officials agree with the submission.	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause OE 18 should provide that a company/person that becomes a non-resident of New Zealand stops being a BETA company.	Officials agree with the submission. Officials consider that providing for the consequence of the loss of eligibility to maintain a memorandum account should ideally be consistent across all memorandum accounts, and will do further work on the feasibility of a generic rule.	That the submission be accepted.
New Zealand Law Society	The clause OF 6 definition of “credit balance” in the formula in subsection (5) should take account of the fact that transfers of part of a credit balance are permitted under this section.	Officials agree that the amount of “credit balance” used in the formula in section OF 6(4) is at the discretion of the taxpayer, but may not exceed the credit balance.	That the submission be accepted.
New Zealand Law Society	In clause OJ 16, subclause (5) should reflect the same debit date provided for in current section ME 23(5)(a).	Officials agree that the date of the debit should be the date of the election referred to in subclauses (1) to (3)	That the submission be accepted.
New Zealand Law Society	That clause OK 20 should provide that subsections (4) and (5) do not apply if an ICA company files a ratio change declaration. Under current section ME 8(3) it is clear that no breach occurs, not that the consequences of a breach are prevented.	Officials agree that the words “the consequences of” a breach are inappropriate and should be replaced by an override of subsection (5).	That the submission be accepted.
New Zealand Law Society	That in clause OP 22(1)(c), the words “before or after” should be replaced by “before or on the same date” (see current ME 13(3)).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OP 52(3) provides that a company may only end its existence as an FDPA company if it “pays further FDP under sections OC 30 or 31”, but the company may not have FDP to pay under these sections: it should refer to “any further FDP payable under sections OC 30 or OC 31”.	Officials agree that a clarification would improve the linkage and readability, but the standard drafting style is “if any”.	That the submission be accepted.
New Zealand Law Society	That in clause OP 59, the words “before or after” should be replaced by “before or on the same date” (see current section ME 13(3)).	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That clause OP 93 should make explicit that clauses GB 35 and GB 36 apply to CTR credits as if they were an FDP credit.	Officials agree with the submission.	That the submission be accepted.

Part O – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	<p>Clause OP 105(3) refers to BETA debits for an amount of a payment of FDP that “may have been paid to reduce a tax loss”. The words should be “may have been paid by an election to reduce a tax loss”.</p> <p>It may not be correct to refer to FDP being “paid” as no payment is ever made. What date is “day of payment”? However, the same problem exists in current section MF 4(4)(a).</p> <p>Clauses OE 12(3) and OP 105(3) should be consistent.</p>	Officials agree with the submission.	That the submission be accepted.
New Zealand Law Society	That in clause OP 112, the words “before or after” should be replaced by “before or on the same date” (see current section ME 13(3)).	Officials agree with the submission.	That the submission be accepted.

Part R – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That in clause RC 7(6) there is a drafting error in line 1 where “they” should be “the”.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the reference to clause RC 11(3) under use of GST ratio for two-month payers should refer just to clause RC 11.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That clause RD 50(4) should refer to “setting out the tax year in which the threshold is to start to apply” rather than “the tax year in which the threshold is to apply”.	Clause RD 50(4) authorises an Order in Council to set thresholds for the purpose of section RD 48. The policy intention is that the regulation should state the first year in which the threshold is to apply.	That the submission be accepted and the drafting clarified.
New Zealand Institute of Chartered Accountants	That clause RG 6(7) should refer to section 139B of the Tax Administration Act 1994 instead of section 150 of the Tax Administration Act.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That clause RM 21(6) should refer to subsection (2)(c) rather than subsection (3)(c).	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That in Table R1, the reference to clause RC 11(3) under use of GST ratio for two month payers should refer just to clause RC 11.	Officials agree with the submission.	That the submission be accepted.

Part Y – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	Clause YA 1 “designated source investments”: That the reference should be “section HR 3(7)” rather than “section HR 3(8)”. An opening bracket is required before the word definitions.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	Clause YA 1 “employer’s premises”: That the defined term “employer’s premises” refers to a definition in subclause CX 23(2) and that term should be used in that subclause instead of the phrase “premises of a person”.	Officials agree that there is a disconnection to be corrected. However, officials believe that the correction should be to replace “employer’s premises”, as the defined term, with “premises”.	That the submission be accepted but the correction made to replace the defined term with “premises”.
Antony Lipscombe New Zealand Institute of Chartered Accountants	That there is an inconsistency between section YB 14 and Table Y1 whereby section YB 14(2) states that it applies to the 1988 and 1990 version provisions and Table Y1 provides that YB 14(2) applies to the 1973 and 1988 version provisions.	Officials agree with the submission.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That the headings for subclauses YB 13(1) and (4) should be clarified.	That the headings for subclauses YB 13(1) and (4) should be clarified.	That the submission be accepted.
New Zealand Institute of Chartered Accountants	That clause YB 15(5) should refer to the term “associated person” rather than “associated” to be consistent with the heading to the subclause and the rest of the clause.	Officials agree with the submission.	That the submission be accepted.
KPMG New Zealand Institute of Chartered Accountants	Clause YD 1(2) permanent home (1): A permanent home is not the same as a permanent place of abode; therefore the change in wording changes the existing law.	Officials consider that that no change is intended and that the change in wording from “abode” to “home” substitutes an older term that effectively meant “home”. However, it is also agreed that the use of “permanent home” could lead to an argument that the nuanced meaning accorded to “permanent place of abode” is not carried over into the rewritten Act. Officials also acknowledge that the meaning of “permanent place of abode” is difficult to apply and uncertainty exists about its application. Officials also agree that determining the extent to which the nuanced meaning can be drafted into the rewritten Act is a policy issue beyond the scope of the rewrite project.	That the submission be accepted but that the relationship of the concept of permanent home to a person’s centre of economic interest be referred to Policy Advice Division for consideration of inclusion in to the tax policy work programme.

Part Y – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	In clause YD 4(16), that the reference to “section YD 7” which deals with the apportionment of film rental income is incorrect.	The reference to “section YD 7” should be replaced by a reference to “section YD 8(2)”.	That the submission be accepted.

Schedules – Recommend to be accepted

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Accountants	In Schedule 50, in section 32L(4) of the TAA, the reference to “subsection (3)” should be replaced by a reference to “subsection (2)”.	Officials agree with this submission.	That the submission be accepted.
New Zealand Institute of Accountants	In Schedule 51, that the typographical error in relation to clauses LA 1 to LA 10 be corrected.	Officials agree with this submission.	That the submission be accepted.

**REVISED TABLE OF OFFICIALS' RECOMMENDATIONS ON
SUBMISSIONS ON BILL –**

RECOMMENDED TO BE DECLINED

The following table lists technical and drafting issues raised in submissions that officials recommend be declined.

Parts C to E – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That subclause CB 30(2) is in error as it does not restrict its application to association rebates determined by reference to payments that would be taken into account in determining the member's gross income.	Officials note that this submission appears to be in relation to clause CB 33(2) rather than clause CB 30. Officials consider that the concluding wording of clause CB 33(1) deals with this issue.	That the submission be declined.
New Zealand Law Society	That for greater clarity, clause DV 19(2)(a) could be substituted with the words "the total amount of association rebates paid to members during the income year". Subsection (4) could then be deleted. The effect of the section is that the association could never achieve a deduction for more than the profits made through the transactions, so there is no harm in allowing a deduction for the full amount of the association rebate, if less than the formula amount, regardless of whether the rebate can be linked to a mutual transaction or not.	Officials consider this is a matter of drafting preference.	That the submission be declined.
New Zealand Law Society	That clause DV 19(4) does not clarify the meaning of current section HF 1(2).	Officials consider that subclause DV 19(4) accurately rewrites section HF 1(2)(a) of the 2004 Act.	That the submission be declined.
New Zealand Law Society	That clause DV 19(4) should emphasise more that the deduction is for the amount of association rebates paid to a member in relation to a mutual transaction.	Officials consider the section already achieves this objective.	That the submission be declined.
New Zealand Law Society	In clause DV 19, the reference to BC 4 is circular.	This submission appears to be a reference to the Exposure Draft provision, rather than the bill, as there is no reference to section BC 4 in clause DV 19 of the bill.	That the submission be declined.
New Zealand Law Society	In clause DV 19(6) the words "in subsection (5)" should be added to clarify which formula is being referred to.	This appears to be a reference to the Exposure Draft provision, rather than the bill, as there is only one formula in clause DV 19.	That the submission be declined.
New Zealand Law Society	The term "rebate" should be removed from clause DV 19(7) unless it is intended to refer to an association rebate, in which case the full term should be used.	The term "the rebate" used in the provision drafting style is considered to be a clear reference to the term "association rebate" appearing earlier in the provision.	That the submission be declined.

Part F – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause FA 3 results in an unintended law change as a result of the deletion of the proviso from the current section FC 3 and that the proviso should be reinserted into the clause.	See main body of report.	That the submission be declined, but that the relationship of this rule to the current legislative structure and, in particular, the anti-avoidance rule relating to dividend stripping be a priority matter on the tax policy work programme.
New Zealand Law Society	That in Part F, the alphanumeric system should be followed and no gaps left between subparts.	The gaps in the subparts (and the parts) have been left to cater for possible future policy initiatives. This approach will permit more subject matter to be grouped using the two letter alphanumeric style so that the use of three character alphanumeric labels can be avoided. (For example, in the 2004 Act, subparts inserted with similar subject matter include subparts NBA, NBB, and NEA.)	That the submission be declined
New Zealand Law Society	That clause FM 31 should specifically exclude local authorities from the consolidated group rules.	Officials note that the wording adopted for clause FM 31(1)(c) follows the wording contained in the amendment to the definition of “eligible company” in section 155(1) of the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006. This new definition in that Act does not state that a company that derives only exempt income includes a local authority that is not a council-controlled organisation.	That the submission be declined

Part G – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the reference in clause GB 6(2) to the “relevant company” is unclear since there are two companies referred to in subsection (1).	Officials consider that subclause (2) sufficiently clearly (in a plain English drafting context) applies to whichever company has become an attributing/qualifying company as a result of the arrangements. Clause GB 6(1)(b) is clear that either company may be a qualifying company. The policy of this anti-avoidance rule is to disallow entry into the rules for any company if the shares have been subject to an arrangement for the purposes of making them an attributing/qualifying company to defeat the intention and purpose of the rules.	That the submission be declined. However, the words “(the relevant company)” should be inserted in clause GB 6(1)(b) after “another company”.
New Zealand Law Society	That for the sake of clarity, “to the extent” should be inserted after “this section applies when” in clause GB 8(1).	Officials consider that introducing the words “to the extent” are unnecessary as the section identifies the scope adequately without those words.	That the submission be declined.
New Zealand Law Society	That a rule dealing with negative amounts should be included in clause GB 29. Current section GC 14C(6) provides that if a reduction results in a negative amount, the amount is not attributable to the working person (person C).	Officials consider that the combined operation of the rules in this provision mean that a negative amount should not arise.	That the submission be declined.
New Zealand Law Society	In section clause GB 47, for the avoidance of doubt, it would be desirable to insert the words “For the purposes of sections GB 45 and GB 46 at the start of both subsections.	Section 5 of the Acts Interpretation Act 1999 states that headings to a section are part of the legislation, and the courts have interpreted that provision as applying unless the heading would be inconsistent with the text of the section. The words in this heading are consistent with the text of the section, and so no change is required. In addition, officials consider that it is undesirable to adopt an “avoidance of doubt” drafting style in a plain language approach. A section plainly and clearly expressed is intended to address those boundaries. In addition, the heading to the section indicates that the rule is for the purpose of clauses GB 45 and GB 46.	That the submission be declined.

Part G – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	In clause GB 48, for the avoidance of doubt, it would be desirable to insert the words “For the purposes of sections GB 45 and GB 46 at the start of both subsections.	Section 5 of the Acts Interpretation Act 1999 states that headings to a section are part of the legislation, and the courts have interpreted that provision as applying unless the heading would be inconsistent with the text of the section. The words in this heading are consistent with the text of the section, and so no change is required. In addition, officials consider that it is undesirable to adopt an “avoidance of doubt” drafting style in a plain language approach. A section plainly and clearly expressed is intended to address those boundaries. In addition, the heading to the section indicates that the rule is for the purpose of clauses GB 45 and GB 46.	That the submission be declined.
New Zealand Law Society	That subclauses GB 49(1)(b) and (c) should be returned to one subsection to read “the arrangement has an effect that means that a requirement of the definition of returning share transfer is not met so as to defeat the intent and application of this Act”.	Officials consider that breaking the sentence into subparagraphs aids readers in this case as in others. However officials propose that “a purpose” in subparagraph (c) be replaced by “the effect”.	That the submission be declined, but a modification be made to subparagraph (c).
New Zealand Law Society	Clause GC 2(3) should be clarified to read “section GC 1(3) does not apply to land with standing timber that is subject to a right to take timber”.	Officials consider the wording in clause GC 2(3) adequately addresses the matter raised in the submission.	That the submission be declined.
New Zealand Law Society	That in clauses GC 7 to GC 11, the proposed definition of a person as a taxpayer is unusual. Taxpayer is already defined in clause YA 1.	The word is not used as a defined term, but as a shorthand reference for the purposes of a short series of sections. Use of “taxpayer” is intended to help the reader distinguish between the various parties and is preferable to, say, “Person A”.	That the submission be declined.

Part H – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That clause HC 1(1)(a) should state that the subpart provides for the taxation of the income derived from trusts.	Officials consider that this wording is inaccurate, as the trust rules include taxable distributions. The term “taxable distributions” will, in relation to a non-complying trust, include distributions of capital gains of the trust. Officials are of the view that using the term “distributions” is the most appropriate term for income tax purposes.	That the submission be declined.
New Zealand Institute of Chartered Accountants	That clause HA 7(2) should contain a capacity test.	<p>An additional test of capacity is unnecessary. The capacity of the trustee acting in their personal capacity is distinguished from their capacity as a trustee under the definition of “trustee” in clause YA 1 (section OB 1 of the 2004 Act).</p> <p>That definition provides: that “Trustee for a trust,— (i) means the trustee only in the capacity of trustee of the trust; and (ii) includes all trustees, for the time being, of the trust</p> <p>Therefore, it is clear that HA 7(2) cannot apply to a trustee acting in a capacity other than as trustee of the trust.</p>	That the submission be declined.

Part H – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That in clause HC 14, the transfer of value concept in relation to distributions should be replaced with a list contained in a definition of “distribution”.	<p>The drafting approach adopted reflects the style of having a general rule with specific exclusions, rather than a list of inclusions that extend a general term to help a reader get a clear understanding of the meaning of the definition.</p> <p>The 2004 Act definition of “distribution” is very extensive, with paragraph (a) applying to every vesting of interest in a beneficiary of property of a trust, any payment of property to a beneficiary of a trust, or the application for the benefit of a beneficiary of any property of a trust. In addition, this general concept is extended in paragraph (b) of the definition of distribution (2004 Act) to include transfers of property and service transactions between a trustee and beneficiary where the transfer value adopted benefits the beneficiary. The extended meaning includes settlements made by the trustee of the trust for the benefit of the beneficiary if the amount settled would have been either beneficiary income or a taxable distribution or from debts forgiven out of natural love and affection.</p> <p>While subsection (2) of clause HC 14 includes settlements, it is possible that they are already caught by section HC 14(1). This might be one example where the submission has merit. However, that could be drafted around by amending section HC 14(2) to begin: “Despite subsection (1), a settlement for the benefit of a beneficiary is treated as a transfer of value only –”</p> <p>Neither the submission nor officials have been able to identify any particular situation that would fall outside the current definition that falls within the meaning of transfer of value.</p> <p>In subsection (12), the drafting could be improved by replacing the words after “because” with the words “the person is a beneficiary of the trust”.</p>	That the submission be declined, but the drafting in clause HC 14 be clarified
New Zealand Law Society	In clause HC 15, that the reference to the election under section HZ 2 needs to be included (current HH 4(6)(a)(ii)).	Officials consider that this submission is incorrect as the reference to section HH 4(6)(a)(ii) of the 2004 Act is set out in clause HC 25(3), which rewrites section HH 4(6) of the 2004 Act.	That the submission be declined.

Part H – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That, in clauses HC 16, HC 20 and CW 52, a distribution from a complying trust is not exempt income. It is not income at all but a distribution of corpus, capital gain, or accumulated income which has already been taxed to the trustee.	<p>In the bill, to “carve out” distributions from a trust that would otherwise be income in the hands of the beneficiary, it is necessary to treat the distribution as either excluded, exempt or non-resident’s foreign-sourced income. This ensures consistency with the meaning of income and assessable income in the core provisions.</p> <p>At present, the rule in section HH 3(5) of the 2004 Act states distributions of this nature from accumulated income of a complying trust (qualifying trust) are excluded from being income of the beneficiary. This provision exists because a distribution from a trust (not being beneficiary income) could otherwise be income for income tax purposes.</p> <p>Officials consider that a distribution of accumulated income from a complying trust can be income in the hands of the beneficiary in some circumstances, irrespective of the treatment under trust law. An example where this can occur is the payment of a pension from a superannuation fund, which is a complying trust. The provision in section HH 3(5) of the 2004 Act is to ensure that a distribution of this nature is not included in the annual calculation of taxable income of the beneficiary.</p> <p>The policy of section HH 3(5) of the 2004 Act is to ensure that double taxation does not occur. Double taxation would occur as income tax is paid on the trustee income retained, and then again by the beneficiary if the distribution is income.</p> <p>Officials consider that the most appropriate category is exempt income as the policy is that the beneficiary may not have a deduction for expenditure incurred in deriving a distribution from a superannuation fund. No change in outcome is intended.</p>	That the submission be declined.

Part H – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That in clause HC 27, the transfer of value concept should be removed from the definition of “settlor”.	<p>The drafting style adopted is again the generalised approach with specific exclusions. If specific examples of transfers of property or services are identified, they will be incorporated as an exclusion from the rule.</p> <p>The definition of “settlor” in the 2004 Act is extensive and covers all dispositions by a person to or for the benefit of a trust (in terms of the trust) of property, making available of property at less than market value, services at less than market value. It also extends to a person who uses property or services of a trust for consideration greater than market value, and includes the abstaining of entering into transactions and also is extended further in specific situations set out in section HH 1.</p> <p>Neither the submission nor officials have been able to identify any particular situation that would fall outside the current definition that falls within the meaning of “transfer of value”.</p>	That the submission be declined.
New Zealand Law Society	In clause HC 29(3), that the word “is” should be changed to “has been” for consistency with current legislation. Also “an income year” should be “the income year”.	The corresponding provision in the 2004 Act is section HH 4(5)(a). The relevant wording in that section is “... a settlement is first made ... on the terms of the trust...”. This is the same wording contained in clause HC 29, and therefore officials consider the drafting has accurately reflected the existing law. But officials agree with the submission on the income year.	That the submission be declined, but that “an income year” be changed to “the income year”.
New Zealand Law Society	That in clause HC 35, the effect of section HH 3A(2) of the 2004 Act has not been included (income tax paid on behalf of a beneficiary) and this should be corrected. Also, the effect of section HH 3F(2A) of the 2004 Act has not been included (balance date of trust) and this should be corrected.	<p>Section HH 3A(2) has been rewritten as clause HD 12, and contains the agency rules for trusts. The compare note for clause HD 12 indicates that clause HD 12 relates to section HH 3A(2) of the 2004 Act.</p> <p>Section HH 3F(2A) of the 2004 Act has been rewritten into clause HC 35(3), in the meaning of “minor”.</p>	That the submission be declined.
New Zealand Law Society	That the rewritten clauses HD 15((3) and (4) contain an unintended broadening of the scope of the rule by rendering directors liable for all income tax liabilities the company is unable to meet after the arrangement is entered into, not mattering whether it was an effect of the arrangement that the tax liability was unable to be satisfied.	<p>Officials consider that under the plain English drafting style adopted throughout the rewrite of the Act, a first reference to a term is generally preceded by the indefinite article. Subsequent references to that term after the section are normally preceded by a definite article (for example, “the”) indicating a reference back to the original expression of that term.</p> <p>In this context, the term “the tax liability” identified in subclauses (3) and (4) is intended to refer to the term “a tax liability” set out in clause HD 15(1)(b) (and (c)(ii)).</p>	That the submission be declined.

Part H – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	That the definition of “mutual transaction” in clause HE 2 does not need to refer to clause DV 19.	Officials consider that the term “mutual transaction” applies for the purpose of clause DV 19 (which rewrites aspects of section HF 1) and that this cross-reference helps the reader link the two sections.	That the submission be declined.
New Zealand Law Society	That in subpart HF, there is an inconsistency of terminology: “elect”, “election” and “electing” should be used throughout. Not “choose”.	Officials consider this is a matter of drafting style. For example, the verb “choose” is used to distinguish between the act of making an election from the outcome of the action, that is the noun “election”.	That the submission be declined.
New Zealand Law Society	In clause HF 2, it is noted that the provision refers to sections HF 2(2)(c), (3)(c), and (7) of the 2004 Act, which were removed by amendment effective September 2004.	Officials note that the provisions referred to were not only repealed, but they were replaced by section 214 of the Māori Fisheries Act 2004 with provisions that refer to the entities referred to in the clause.	That the submission be declined.
New Zealand Law Society	In clause HF 4, that the reference to “genuine investment” could cause definitional issues, not guidance.	<p>The term “genuine investment” replaces the concept of “bona fide investment” used in section HI 4 of the 2004 Act. Officials note that the Shorter Oxford Dictionary defines “bona fide” as meaning “acting or done in good faith; sincere(ly); genuine(ly)”.</p> <p>No change in meaning is intended. Officials note that this term is used elsewhere in the bill without definition as, for example, in clauses DB 56, DC 2 and GB 24.</p> <p>However officials propose a change to remove the tautologous words “carried out in good faith”.</p>	That the submission be declined.
New Zealand Law Society	That clause HF 11(2) requires an acceptance date. Currently no requirement is set out in the drafting.	Officials agree that section HI 3 of the 2004 Act does not provide a time at which acceptance is required. This outcome results from the amendment to section HI 3 in section 209 of the Taxation (Venture Capital and Miscellaneous Provisions) Act 2004 which changed the policy from the date of acceptance to the dates referred to in clause HF 11(2).	That the submission be declined.
New Zealand Law Society	That in clause HR 1, there is no reference to co-trustees; current section HD 1(1)(a) appears to be omitted.	The rule in section HD 1(1)(a) of the 2004 Act has been incorporated in the trust rules in section HC 2 (Obligations for joint trustees for calculating income and providing returns). In addition, the definition of “trustee” includes co-trustees.	That the submission be declined.
New Zealand Law Society	That clause HR 1 no longer refers to co-trustees.	The definition of “trustee” in clause YA 1 states that the term “trustee” includes all trustees for the time being of the trust. Therefore, officials consider it is unnecessary to refer to co-trustees in this provision.	That the submission be declined.

Part I – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That section IC 5 should contain an extension of time for an offset election as currently provided by section IG 2(3) of the 2004 Act.	<p>The intention is that section IC 5(2)(a) provides for the offset election and IC 5(2)(b) provides for the subvention payment election. The time by which the election is to be made is given by section IC 9. IC 9(2) states that the notice of election or payment under IC 5(2) must be given to the Commissioner by ... “the extended return date ... or the later date allowed by the Commissioner.”</p> <p>As a minor drafting correction, the word “either” should be omitted from section IC 5(2).</p>	That the submission be declined.

Part L – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That section LB 1(2) should only refer to the situation when the particulars of an employer monthly schedule are incorrect and not include when the Commissioner does not receive the employer monthly schedule.	<p>The opening words of section LD 1(2) of the 2004 Act require that the Commissioner must have received a monthly schedule before he is able to credit PAYE in the manner set out in section LD 1(2).</p> <p>This wording was inserted by section 126 of the Taxation (Depreciation, Payment Dates Alignment, FBT and Miscellaneous Provisions) Act 2006. It is clear that the monthly schedule is necessary in order for the CIR to correctly apportion PAYE received from employers between the different employees and give the appropriate tax credit to each employee.</p>	That the submission be declined, but that the wording be reviewed to ensure that the credit is not permanently denied.
New Zealand Law Society	That in clause LB 5, in the list of defined terms: add “replacement payment”.	In reviewing this submission, officials have identified that there is no equivalent rule for subclause (2) in the 2004 Act and that subclause (2) should be omitted.	That the submission be declined but that subclause (2) be omitted.
New Zealand Law Society	In clause LE 2, the last item of section LB 2(2B) of the 2004 Act has been omitted (taxpayer whose imputation credit giving rise to the tax credit is category A income of the trustee of a group investment fund).	<p>Section LB 2(2B)(d) is referring to a group investment fund to the extent of its category A income. Paragraph (c) of the definition of “company” in clause YA 1 includes a group investment fund to the extent of its category A income.</p> <p>Officials consider that it is unnecessary to refer to a group investment fund in this clause as paragraph (a) of clause LE 2 requires the person to be a company, which includes a group investment fund to the extent of its category A income. This outcome is consistent with the Society’s observations on clause HR 2 that it is desirable to more clearly identify that a group investment fund is treated as a company to the extent of its category A income.</p>	That the submission be declined.
New Zealand Law Society	In clause LE 5, the exception from section LB 1(2) of the 2004 Act is omitted.	A beneficiary of a group investment fund in relation to the fund’s category A income is a shareholder. This arises from paragraph (d) of the definition of “share” which treats the beneficiary’s interest in the category A income as a share for the purpose of the Act. As indicated previously, the fund is treated as a company. It is therefore unnecessary to identify that this rule not apply to a beneficiary deriving a distribution from a trust. This approach is also consistent with the Society’s observation made in submissions on clause HR 2 and with the approach for unit trusts.	That the submission be declined.

Part L – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Law Society	In clause LF 3, there is an omission of the exception in current section LB 1(2).	A beneficiary of a group investment fund in relation to the fund's category A income is a shareholder. This arises from paragraph (d) of the definition of "share" which treats the beneficiary's interest in the category A income as a share for the purpose of the Act. As indicated previously, the fund is treated as a company. It is therefore unnecessary to identify that this rule not apply to a beneficiary deriving a distribution from a trust. This approach is also consistent with the Society's observation made in submissions on clause HR 2 and with the approach for unit trusts.	That the submission be declined.
New Zealand Law Society	In clause LO 2, there is an omission of the exception in current section LB 1(2).	A beneficiary of a group investment fund in relation to the fund's category A income is a shareholder. This arises from paragraph (d) of the definition of "share" which treats the beneficiary's interest in the category A income as a share for the purpose of the Act. It is therefore unnecessary to identify that this rule not apply to this beneficiary.	That the submission be declined.

Part M – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Child Poverty Action Group	That the legislation in Part M should be redrafted to give effect to the stated purpose of clarifying and simplifying the legislation.	<p>The policy underlying the Working For Families Tax Credits is complex. While the drafting for complex policy can be expressed in plain language, experience in drafting rewrite legislation indicates that complex policy inevitably results in complex legislation. This can be illustrated by reference to Part O which sets out the rules for memorandum accounts where complex policy is also addressed.</p> <p>The target audience of the rewrite was identified in the discussion document, paragraph 3.3 of <i>Rewriting the Income Tax Act: Objectives, process, guidelines</i>, issued in December 1994:</p> <p>“Regardless of how readable or user-friendly the rewritten Act becomes, taxpayers will usually find it easier to obtain elsewhere the tax-related information they need. Such taxpayers will still benefit, however, from the rewrite. A rewritten Act that better communicates the law will assist the producers of secondary sources to better explain the laws.”</p> <p>The discussion document then identified, in paragraph 3.4, that “the primary audience for the Act itself will comprise groups such as:</p> <ul style="list-style-type: none"> • the courts; • lawyers and accountants (particularly tax specialists); • authors of secondary sources that explain the application of tax laws; • Members of Parliament; • tax policy analysts and people who want to make submissions on proposed legislation.” <p>This policy remains the basis on which the drafting of the Income Tax Bill has been prepared. We note that Inland Revenue has on its website a series of pages dedicated to explaining entitlements and obligations in relation to the Working for Families Tax Credits that fulfils the objective of having secondary sources explain the application of tax laws to “the disadvantaged members of the community”. This site is also supported by a dedicated website “Working For Families Tax Credit,” a joint project between Inland Revenue and Work and Income.</p>	That the submission be declined.
Child Poverty Action Group	That clause MA 7(1)(c) be omitted from the bill.	This clause defines “full-time earner” which is relevant to eligibility for the in-work payment and the family tax credit. Both of these assistance measures are based on household income. Subclause MA 7(1)(c) accurately rewrites paragraph (a)(iii) of the definition of “full-time earner” in the 2004 Act.	That the submission be declined but officials should review the draft to improve readability.

Part M – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Child Poverty Action Group	That paragraphs (ii) and (iii) should be removed from clause MC 6(b).	<p>The submitter offers no reason why these paragraphs should be removed. The context of the submission suggests that the submitter disagrees with the policy. The rewrite of the Act is not intended to be a forum where policy matters such as this are considered.</p> <p>Clause MC 6(b) rewrites the proviso to the definition of “qualifying person” in section KD 3(1) of the 2004 Act. That proviso states that a person is not entitled to receive the Family Tax Credit if the person is in receipt of any income-tested benefit, a veterans pension or a war widows mothers’ allowance (now termed parent’s allowance under section 32(2)) of the War Pensions Act). The change in terminology from war widows mothers’ allowance reflects the amendments to the War Pensions legislation in the War Pensions Amendment Act 1988. The cross-reference in the Income Tax Act was not picked up at that time.</p>	That the submission be declined.
Child Poverty Action Group	That clause MD 2(2)(c) should reverse the order of subparagraphs (i) and (ii); (i) first reduces the amount of the in-work payment before the reduction of the amount of the family support.	<p>Officials consider that the order of the calculation in subparagraph (c) of clause MD 2(2) replicates the equivalent provision (section KD 2A of the 2004 Act).</p> <p>Officials consider that this matter is not an issue that is able to be addressed in the rewrite project.</p>	That the submission be declined.
Child Poverty Action Group	That in clause MD 9(4), the denial of the in-work payment to any family where the accident occurred before January 2006 is against the spirit of the ACC Act, highly discriminatory and unjust.	<p>The exclusion from in-work payment of recipients of earnings-related compensation paid as a result of incapacity that arose before 1 January 2006 follows the provisions in the Income Tax Act 2004. They had been eligible for the Child Tax Credit only for the first three months of eligibility for compensation.</p> <p>Officials consider that the reversal of that policy is not an issue that is able to be addressed in the rewrite project.</p>	That the submission be declined.
Child Poverty Action Group	That clause MD 11(1)(b)(i) be amended to replace “social assistance payment” with “income-tested benefit” and not include ACC or non-income tested benefits.	<p>The subparagraph rewrites section KD 2AB(1)(a) of the 2004 Act. The term “social assistance payment” replaces the term “specified payment”. The new term is intended to provide the reader with a better indication of the nature of the payments termed “specified payments” in the 2004 Act.</p> <p>The types of payments included within the meaning of the term “social assistance payment” are set out in clause MA 8. This list of payments accurately replicates the list of payments included in the meaning of “specified payment” in the 2004 Act.</p> <p>One of the types of payments listed is “income-tested benefit”. To replace “social assistance payment” with the term “income-tested benefit” would narrow the meaning and so result in an unintended change in policy.</p>	That the submission be declined.

Part M – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Child Poverty Action Group	In clause MF 7, that family plus components should not be able to be adjusted beyond the increase in the Consumer Price Index as allowed for family support.	This submission is concerned with the policy intention of the family plus rules. Officials consider this is a policy matter not able to be considered in rewriting the provisions.	That the submission be declined.
Child Poverty Action Group	That the clauses in Part M relating to the in-work payment be rewritten to be consistent with principle of the Child Support Act relating to material standards of living following parental separation.	This submission is concerned with the policy intention of the in-work payment rules. Officials consider this is a policy matter not able to be considered in rewriting the provisions.	That the submission be declined.

Part O – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That the use of tables in Part O is a different style from the rest of the Income Tax Bill and is a departure from the drafting guidelines.	<p>The submitter notes that the use of tables is supported where the subject matter is complicated or repetitious and would be better presented in tabular form.</p> <p>Officials consider that Part O contains legislation that is complex and repetitious, and that tables assist the reader to access the text of the legislation.</p>	That the submission be declined.
New Zealand Law Society	That clause OB 1 omits a reference to the trustee company rule from current ME 1(3).	Officials consider this is unnecessary as the definition of “trustee” in clause YA 1 makes clear that a trustee acting in their personal capacity is distinct from the trustee capacity.	That the submission be declined.

Part R – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	Subpart RC – That sections MB 26, MB 28 and MB 36 of the 2004 Act be inserted into the bill.	Officials noted that section MB 26 duplicates provisions in the Goods and Services Tax Act and sections MB 28 and MB 36 replicate provisions in the Tax Administration Act. These provisions are therefore unnecessary in the context of the Income Tax Act.	That the submission be declined.

Part Y – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That a definition from other legislation should be replicated in the Income Tax Act instead of defining the term by cross-reference to the primary (other) legislation.	<p>The drafting practice of adopting a specialised definition from other Acts of Parliament is addressed in the Parliamentary Counsel Office’s <i>Drafting Manual</i>. Paragraphs 5.257 to 5.258 of the manual states that “it is important to be aware of not redefining terms that should have a consistent meaning across the statute book. The correct approach is to adopt the specialised definition – for example, “medical practitioner” as defined in section 5 of the Health Practitioners Competence Assurance Act 2003 ... A definition contained in the Interpretation Act 1999 should not be repeated in other enactments.”</p> <p>The main purpose of this drafting practice is to ensure that when a specialised definition in its primary legislation is amended, that revised meaning applies immediately across the statute book. This overcomes the very real risk of error that can occur when an Act of Parliament replicates instead of cross-referring to specialised definitions in other legislation.</p> <p>Officials consider that this practice assists the reader by ensuring that the correct meaning of a specialised term is always contained in the Income Tax Act. Therefore, in drafting income tax legislation, there is no reason to depart from the drafting practice mandated by the Parliamentary Counsel Office.</p>	That the submission be declined, although a reference to the Interpretation Act and, in particular, the definition of “person” in that Act could be inserted in Part A to assist the reader.
New Zealand Institute of Chartered Accountants	That the use of acronyms is not recommended for income tax legislation.	<p>A definition is used to give a standard meaning to words or phrases that occur frequently throughout the bill. Officials consider the use of acronyms is a common feature in everyday income tax practice. The use of acronyms assists the reader by avoiding repetition of long phrases in the text of the legislation, and is easier to read.</p> <p>For example, a PCA company stands for the phrase “a policyholder credit account company”. Similarly, when the fringe benefit tax rules were introduced in 1985, the term FBT was quickly adopted in everyday language. Resident withholding tax very quickly became known as RWT.</p>	That the submission be declined.
New Zealand Institute of Chartered Accountants	In clause YA 1, in the definition of “adjusted tax value”, the reference to paragraphs (a) and (b) in clause FO 16 is confusing and should be more specific and refer to paragraphs (a) and (b) of clause FO 16(3).	Officials agree that a reference should be specific and clear. However, in this case, which relates to the adjusted tax value of a pool of depreciable property, the reference is to paragraphs (a) and (b) of the definition. However, some redrafting can make that clearer.	That the submission be declined, but some redrafting will clarify the linkage.

Part Y – Recommend to be declined

<i>Name</i>	<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
New Zealand Institute of Chartered Accountants	That in clause YA 1 the defined term “person” should be defined fully in the Income Tax Bill or, alternatively, the definition in section 29 of the Interpretation Act 1999 should be referred to in a definition of “person” in the bill.	<p>Paragraph 5.258 of the Parliamentary Counsel Office’s <i>Drafting Manual</i> states:</p> <p>“... A definition contained in the Interpretation Act 1999 should not be repeated in other enactments.”</p> <p>The reason for this drafting style is that the Interpretation Act 1999 is intended to apply to every Act of Parliament and so collects together terms that are intended to have a common meaning across the entire statute book. An underlying presumption of the Interpretation Act 1999 is that the users of any legislation are expected to know the existence and content of this Act.</p> <p>Officials consider that defining terms in other legislation that are defined within the Interpretation Act 1999 undermines the purpose of the Interpretation Act.</p> <p>Officials consider it is inappropriate generally for income tax legislation to depart from this statute-wide drafting practice unless there is a compelling reason. “Person” was not defined (except for limited purposes) in the Income Tax Act 2004.</p> <p>However, officials propose a reference in Part A to the Interpretation Act and its definition of “person”.</p>	That the submission be declined, but that a reference be made in Part AA to the Interpretation Act and, in particular, to that Act’s definition of “person”

TABLE OF OFFICIALS' RECOMMENDED CHANGES

Officials recommend that the submissions listed in the following table be accepted. The submissions fall into four types, as explained below.

1. Drafting changes required as a result of enactments passed since the bill was introduced. Examples include:
 - KiwiSaver Act 2006.
 - Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.
2. Drafting changes to increase the consistency of the language and layout. Examples include:
 - Putting blocks of text into subclauses or paragraphs to improve readability.
 - Using a single expression instead of two or more expressions of the same meaning.
3. Correcting drafting problems identified by officials. Examples include:
 - In clause HD 26(1), omitting “gross” from the term “gross income”.
 - In clause RA 22, omitting subclause (1) as being unnecessary and, in the list of defined terms to clause RA 22, omit “income tax”.
4. Drafting changes arising as a result of officials consulting with advisors to the Finance and Expenditure Committee.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Insert clause CB 25B.	Section 4, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CD 36 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 5, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CE 6 (heading) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 6, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In clause CG 2(4)(b) replace “1967” with “2006”.	Updating reference for Insolvency Act 2006.	That the submission be accepted.
Insert subpart CP.	Section 7, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CQ 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 8, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CS 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 9, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CW 9 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 10, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CW 23 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 11, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause CW 28B.	Section 12, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CW 41 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 13, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause CX 51 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 14, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clauses CX 54 and 54B.	Section 15, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause CZ 22.	Section 16, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DB 13 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 17, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DB 24 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 18, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause DB 41 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 19, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DB 46 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 20, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause DB 53B.	Section 21, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DB 55 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 22, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DE 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 23, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DN 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 24, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DN 6 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 25, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Omit clause DN 8.	Section 26, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause DO 9 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006 to the definition of “diminished value”.	Section 155(9), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clauses DZ 15 to DZ 18.	Section 27, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EB 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 28, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 6 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 29, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 11 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 30, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 12 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 31, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 16 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 32, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Insert clause EE 24B.	Section 33, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 25 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 34, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 28 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 35, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 29 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 36, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 32 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 37, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clauses EE 33 to EE 36 should be omitted and replaced by clause EE 33.	Section 38, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 41 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 39, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clauses EE 42 and 43 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 40, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 42 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 41, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 43 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 42, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 46 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 43, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 47 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 44, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 49 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 45, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 52 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 84, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause 54B.	Section 46, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 59 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 47, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause EE 61 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 48, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 62 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 49, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EE 68 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 50, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause EG 3.	Section 51, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause EI 3B.	Section 52, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EJ 23 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 53, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EK 6 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 54, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EK 12 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 55, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EK 16 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 56, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EK 20 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 57, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In clause EW 29(10), replace “1967” with “2006”.	Updating reference for Insolvency Act 2006.	That the submission be accepted.
Clause EW 32 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 58, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In clause EW 45(1)(b)(i), replace “section 114 of the Insolvency Act 1967” with “section 304 of the Insolvency Act 2006”.	Updating reference for Insolvency Act 2006.	That the submission be accepted.
Clause EX 15 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 59, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 22 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 60, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 33 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006 that replaces clause EX 33 and inserts clauses EX 33B to 33D.	Section 61, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Insert clause EX 33E.	Section 62, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 36 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 63, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 38 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 64, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 40 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 65, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause EX 40B.	Section 66, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 41 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 67, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 42 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 68, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 44 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 69, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clauses EX 44B to 44E.	Section 70, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 45 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 71, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause EX 45B.	Section 72, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 46 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 73, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 47 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 74, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 50 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 75, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 51 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 76, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 52 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 77, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause EX 53 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 78, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause EX 54B.	Section 79, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 55 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 80, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EX 58 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 81, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause EY 8 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 82, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Omit clause EZ 9.	Section 83, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In clause EZ 38, in subclause (6)(a)(i), replace “section 114 of the Insolvency Act 1967” with “section 304 of the Insolvency Act 2006”, and in subclause (8)(d)(ii), replace “1967” with “2006”.	Updating reference for Insolvency Act 2006.	That the submission be accepted.
Clause FC 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 90, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FC 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 92, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FC 6 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 91, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FE 21 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 89, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FM 11 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 94, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FM 31 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006 to the definition of “eligible company”.	Section 155(10), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause FO 11 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 88, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause GC 4 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 93, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause HC 36 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 95, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert subpart HL.	Section 97, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause HR 8(2) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 86, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause HR 8 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 87, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause IA 7 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 98, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause IC 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 100, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause IQ 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 99, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause IQ 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 101, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LB 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 115, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LE 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 113, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LF 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 116, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LF 8 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 117, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LJ 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 114, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LL 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 119, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause LS 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 112, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clauses LS 2 to LS 3.	Section 118, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause MB 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 103(1), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MB 4 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 103(2), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MC 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 107, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MC 8 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 155(11), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MC 10(1A) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 155(38), Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Subclauses MC 10(1) and (2) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 106, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MD 1(3) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 104, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MD 9(3) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 105, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause ME 1(3) should reflect the amount prescribed in the Income Tax (Family Tax Credit) Order 2006.	Clause 3, Income Tax (Family Tax Credit) Order 2006.	That the submission be accepted.
Clause MF 4 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 109, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MF 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 108, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause MF 7 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 110, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause OB 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 131, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause OB 50 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 132, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause OC 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 133, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause OF 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 134, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clause RA 9 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 151, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RA 14 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 120, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RA 18 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 149, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RC 15 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 123, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RC 18 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 124, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RC 20 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 125, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 29 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 137, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 34 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 138, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 57 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 140, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 58 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 141, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 66 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 145, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 66 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 146, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 66(9) should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 155(6) in relation to the definition of “complying fund calculation period”, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Insert clause RD 66B.	Section 155(6) in relation to the definition of “complying fund rules”, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 67 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 142, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Clauses RD 67 and 69 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 143, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RD 69 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 144, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RE 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 147, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RE 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 148, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RF 2 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 152, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RG 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 154, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RM 15 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 129, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause RM 33 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 130, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Amendment to and insertions of definitions in clause YA 1 should reflect the amendments and insertions of definitions made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 155, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In clause YA 1, omit the definition of “de facto relationship”.	Section 3(2), Income Tax Amendment Act 2005.	That the submission be accepted.
Clause YB 20 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 158, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause YD 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 159, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Clause YD 7 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 85, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 1 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 160, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 3 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 165, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 5 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 161, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Changes from 2006 amending legislation

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Schedule 12 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 164, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 19 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 163, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 25 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 162, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 32 should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 102, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
In Schedule 49, insert: Disabled Persons Employment Promotion Repeal Act 2007 (2007 No 11) Section 9: “and section CW 32(1)(d) of the Income Tax Act 2006” is inserted after “Income Tax Act 2004”.	Disabled Persons Employment Promotion Repeal Act 2007.	That the submission be accepted.
In Schedule 49, amendments to the Westpac New Zealand Act 2006 are inserted.	Westpac New Zealand Act 2006.	That the submission be accepted.
Schedule 50, amending section 15L(1) and (2) of the Tax Administration Act, should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 135, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 50, amending section 15L(3) of the Tax Administration Act, should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 136, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 50, amending section 32E of the Tax Administration Act, should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 150, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.
Schedule 50, amending section 80KU of the Tax Administration Act, should reflect the amendment made in the Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	Section 111, Taxation (Savings Investment and Miscellaneous Provisions) Act 2006.	That the submission be accepted.

Part A – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
Insert clause AA 4.	To clarify in the Statute that the Act applies to the Crown. There are many provisions that address the Crown’s exemptions and exclusions from the application of the Income Tax Act. It is clear that the Act is intended to apply to the Crown. Officials consider it is preferable to state this clearly at the front of the Act, as this also ensures consistency with the Interpretation Act 1999, which states that no Act applies to the Crown unless stated. This is noted in Schedule 51 as an intended change because it introduces specific wording to clarify the position.	That the submission be accepted.

Part B – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause BB 2(5), following “obligation”, insert “in relation to another ancillary tax”.	Consistency of language.	That the submission be accepted.
In clause BF 1, insert after “following”, the phrase “types of income or ancillary tax”.	Consistency of language.	That the submission be accepted.

Part C – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause CB 27(7), replace “paragraphs” with “clauses”.	Consistency of language.	That the submission be accepted.
In clause CB 33, replace “DV 19(6)” with “DV 19(7)”.	Correction of cross-reference.	That the submission be accepted.
In clause CD 6(3)(b), replace “transactions” with “associations”.	Consistency of language.	That the submission be accepted.
In clause CD 22, in the list of defined terms, insert “taxable bonus issue”.	Consistency of language.	That the submission be accepted.
In clause CH 9, in the heading insert “reporting bank” after “apportionment”.	Consistency of language.	That the submission be accepted.
In clause CU 6(1), in the heading replace “Choice” with “Choosing” and in the heading before clause CU 6(2), replace “Choice of” with “Choosing”.	Consistency of language.	That the submission be accepted.
In clause CU 22(1), omit “New Zealand” and insert “incorporated in New Zealand” after “company”.	Consistency of language.	That the submission be accepted.
In clause CU 26(1)(a)(ii), replace “the Act” with “that Act”.	Consistency of language.	That the submission be accepted.
In clause CU 27(2)(c), replace “the Act” with “that Act”.	Consistency of language.	That the submission be accepted.
In clause CU 29, in the definitions of “holding company” and “mining holding company”, omit “New Zealand” and insert “incorporated in New Zealand” after “company”.	Consistency of language.	That the submission be accepted.
In clause CW 12, in the heading replace “qualified” with “qualifying”, and in the list of defined terms insert “associated”.	Consistency of language.	That the submission be accepted.
In clause CW 14, omit “(which relate to dividends)” and “(Dividend derived from overseas)”.	Consistency of language.	That the submission be accepted.
In clause CW 28(2)(a), replace “the Act” with “that Act”.	Consistency of language.	That the submission be accepted.
In clause CW 30(a) and (b), each time it appears replace “the Act” with “that Act”.	Consistency of language.	That the submission be accepted.
In clause CW 33, omit “(a) a payment under section 25 of the National Provident Fund Act 1950:”.	Correction of redundant cross-reference.	That the submission be accepted.
In clause CW 37(5), omit paragraph (5)(d) and at the end of paragraph (c), replace “;” with “.”.	Correction of redundant cross-reference.	That the submission be accepted.
In clause CW 41(7)(b)(ii), insert “statutory” before “trustee”, in the list of defined terms, insert “statutory trustee company” and omit “trustee company”.	Consistency of language.	That the submission be accepted.
In clause CW 58, each time it appears, omit “New Zealand” and insert “incorporated in New Zealand” after “company”, and in the list of defined terms, omit “New Zealand company”.	Consistency of language.	That the submission be accepted.
In clause CX 23, in the list of defined terms, omit “employer’s premises”.	Consistency of language.	That the submission be accepted.

Part C – Officials’ changes

Submission***Comment******Recommendation***

In clause CZ 15(b), replace “the Act” with “that Act”.

Consistency of language.

That the submission be accepted.

Part D – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause DB 1, in the list of defined terms, omit “attributing company election tax”, “FDP”, “FDP penalty tax”, “further FDP”, “further income tax”, “GST”, “imputation penalty tax”, and insert “NRWT”, “PAYE” and “RWT”.	Consistency of language.	That the submission be accepted.
In clause DB 7(6), replace “interest on money borrowed” with “when deduction would be denied to consolidated group”.	Consistency of language.	That the submission be accepted.
In clause DB 8(6), replace “interest on money borrowed” with “when deduction would be denied to consolidated group”.	Consistency of language.	That the submission be accepted.
In clause DB 13 in the list of defined terms, insert “general limitation”, “general permission”, and “supplement”.	Consistency of language.	That the submission be accepted.
In clause DB 14(1), replace “EW 49(4)” with “EW 49(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause DB 18(b), insert “(Replacement payments) after “OB 64” and replace “(which relate to imputation credits)” with “(When amount of tax treated as imputation credit)”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause DB 23 omit “(Avoiding, remedying, or mitigating effects of discharge of contaminant)”.	Consistency of language.	That the submission be accepted.
In clause DB 35(7)(b), after “research, development,” insert “and”.	Consistency of language.	That the submission be accepted.
In clause DB 36(1), replace “Financial reporting standard No. 13 1995 (Accounting for Research and Development Activities)” with “reporting standard means” and omit the definition “reporting standard means” that commences after “expenditure is incurred”.	Consistency of language.	That the submission be accepted.
In clause DB 47((3), replace “(5)” with “(6)”.	Correction of cross-reference.	That the submission be accepted.
In clause DB 55(1), insert after “deduction for expenditure” the phrase “or an amount of depreciation loss”, and in the list of defined terms insert “amount” and “depreciation loss”.	Consistency of language.	That the submission be accepted.
In clause DC 10, in subclause (2)(a) after “year of the sale,” insert “for the provision made by the seller”, and in (2)(b) after “the amount” insert “of the provision”, and in subclause (3) after “time of the sale” insert “:- (a)”, after “a deduction” insert “for the provision made by the seller”, after “not been sold” insert “; and (b) subsection (2) does not apply, and section EA 4(5) will mean that the seller cannot get a deduction for the amount.”, and insert subclause (4).	Consistency of language and improvement in readability.	That the submission be accepted.
In clause DO 4(6), replace “clause (8)” with “clause (9)”.	Correction of cross-reference.	That the submission be accepted.

Part D – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause DO 9, in the heading, omit “and diminished value”, in the heading to subclause (1) omit “replaced area fraction” in subclause (1), replace “sections DO 5 and DO 6” with “section DO 5”, and in the Compare note omit “OB 1 diminished value”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause DP 10, in the list of defined terms, insert “associated person”.	Consistency of language.	That the submission be accepted.
In clause DQ 4(3)(a), replace “EK 15(4)” with “EK 15(3)”.	Correction of cross-reference.	That the submission be accepted.
In clause DS 1(5)(b), omit “film”.	Consistency of language.	That the submission be accepted.
In clause DS 2(6)(b), omit “film”.	Consistency of language.	That the submission be accepted.
In clause DU 9(5), omit “(which relate to the use of tax losses)” after “IA 5”, and after IS 2, replace “(Treatment of tax losses resulting from certain expenditure)” with “(which relate to the use of tax losses)”.	Consistency of language.	That the submission be accepted.
In clause DV 6(1), replace “DV 5(6)” with “DV 5(7)”.	Correction of cross-reference.	That the submission be accepted.
In clause DV 16, in the compare note, after “(b)”, add “- (d)”.	Correction of cross-reference.	That the submission be accepted.
In clause DV 19 replace subclause (7).	Consistency of language.	That the submission be accepted.
In clause DX 3(1), replace “Limitations” with “Limitation”.	Consistency of language.	That the submission be accepted.

Part E – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause EA 4, in subclause (4)(b), after “business” insert “, whether or not it remains a contingent obligation at the time of sale;” and in subclause (4)(d) after “assumption of the” insert “seller’s provision for the”.	Improve readability to better reflect the policy as a consequence of the Rewrite Advisory Panel’s conclusion that the corresponding provision in the 2004 Act contained an unintended change in law.	That the submission be accepted.
In clause EE 1, in subclause (3)(d), replace “EE 40(4)” with “EE 40(5)” and in subclause (5) after “research, development”, insert “and”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause EE 51(1)(b)(ii), replace “in or before 1992–93” with “up to the 2004–05”.	Correction of application period of rule.	That the submission be accepted.
In clause EE 52(5)(b)(ii), replace “in or before 1992–93” with “up to the 2004–05”.	Correction of application period of rule.	That the submission be accepted.
In clause EE 58(3)(a), replace “EE 40(2)” with “EE 40(3)”.	Correction of cross-reference.	That the submission be accepted.
In clause EE 59(5)(a), replace “EE 40(2)” with “EE 40(3)”.	Correction of cross-reference.	That the submission be accepted.
In clause EF 3, in subclause (5)(a)(i) replace “Employers’ ” with “Work”, and in subclause (c)(i), replace “Self-employed Work Account under section 202” with “Work Account under section 168B”.	Consistency of language.	That the submission be accepted.
In clause EG 1, in the list of defined terms insert “income tax”.	Consistency of language.	That the submission be accepted.
In clause EH 30, in the list of defined terms omit “income tax”.	Consistency of language.	That the submission be accepted.
In clause EH 71(1)(b), replace “EH 7(7)” with “EH 7(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause EJ 9(a), omit “film”.	Consistency of language.	That the submission be accepted.
In clause EJ 21(1)(c) replace “EJ 20(2) with “EJ 22(2)”.	Correction of cross-reference.	That the submission be accepted.
In clause EK 6(1)(b), after “EK 15”, insert “EK 16”.	Correction of cross-reference.	That the submission be accepted.
In clause EW 14(2), after “injury under” insert “the Injury Prevention, Rehabilitation, and Compensation Act 2001,”.	Correction of cross-reference.	That the submission be accepted.
In clause EW 29(8), omit “(1) to (4)”.	Consistency of language.	That the submission be accepted.
In clause EW 32(1), after “purchase of property” replace “and” with “or”.	Correction of language.	That the submission be accepted.
In clause EW 36(1)(b), replace “EW 5(16) to (18)” with “EW 5(18) to (20)”.	Correction of cross-reference.	That the submission be accepted.
In clause EW 55(2), replace “(13)” with “(12)”.	Consistency of language.	That the submission be accepted.

Part E – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause EX 3, in subclause (3)(c), replace “Temporary increases in control interest category totals” with “Temporary increases in totals for control interest categories” and in subclause (3)(d), replace “Temporary reductions in control interest category totals” with “Temporary reductions in totals for control interest categories”.	Consistency of language.	That the submission be accepted.
In clause EX 8(2)(c) and (d), replace “category” with “categories”.	Consistency of language.	That the submission be accepted.
In clause EX 15(1), before “EX 46(1)(a)”, insert “EX 32(b)”.	Correction of cross-reference.	That the submission be accepted.
In clause EX 22(2), replace “CQ 2(g)” with “CQ 2(1)(g)” and replace “DN 2(g)” with “DN 2(1)(g)”.	Correction of cross-reference.	That the submission be accepted.
In clause EX 54, in the heading “FIFs” is replaced by “Entities”.	Consistency of language.	That the submission be accepted.
In clause EZ 19(4), replace “qualifying capital value, and qualifying improvement, and qualifying asset” with “qualifying asset, qualifying capital value, and qualifying improvement.”.	Consistency of language.	That the submission be accepted.
In clause EZ 22, in the heading before subclause (1) and in subclause (1), replace “EE 47(8)” with “EE 47(10)”, in the heading before subclause (2) replace “EE 40(10)” with “EE 49(9)”, and in subclause (2) replace “EE 49(10)” with “EE 49(9)”.	Correction of cross-reference.	That the submission be accepted.
In clause EZ 37(1)(b)(i)(B), replace “EW 34” with “EW 31”.	Correction of cross-reference.	That the submission be accepted.
In clause EZ 38(1)(a)(ii)(B), replace “EZ 38” with “EZ 41”.	Correction of cross-reference.	That the submission be accepted.
In clause EZ 38(6)(a)(iii), replace “EZ 38” with “EZ 41”.	Correction of cross-reference.	That the submission be accepted.
In clause EZ 48, in the definition of “core acquisition price”, in paragraph (c), item w, subparagraph (i), replace “EZ 46” with “EZ 49”.	Correction of cross-reference.	That the submission be accepted.

Part F – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause FA 2(2), insert “Interest or expenditure connected to” before “profit-related or substituting debentures”.	Consistency of language.	That the submission be accepted.
In clause FA 3(2), omit “but only” and “the sum of the dividend and”, and replace “no more” with “less”.	Improve readability.	That the submission be accepted.
In clause FA 4(6), apostrophe inserted between “dealer” and “s”.	Consistency of language.	That the submission be accepted.
In clause FA 9, “notional value” is replaced by “notional sale price”.	Consistency of language.	That the submission be accepted.
In clause FB 9, replace “EZ 42” with “EZ 45”.	Correction of cross-reference.	That the submission be accepted.
In clause FB 13, insert “income year” in the list of defined terms, omit “tax year” from the list of defined terms.	Consistency of language.	That the submission be accepted.
In clause FB 19, omit “tax year” from the list of defined terms.	Consistency of language.	That the submission be accepted.
In clause FB 20(6), replace “IH 4” with “IA 7(7), IS 1 to IS 4, and IS 6 (which relate to mining and mining companies’ tax losses).	Correction of cross-reference.	That the submission be accepted.
In clause FB 21(7), replace “EZ 25” with “EZ 24”.	Correction of cross-reference.	That the submission be accepted.
In clause FC 8(2), insert “deceased person was a cash basis person and the” after “If the”.	Consistency of language.	That the submission be accepted.
In clause FE 6(1), omit “This section overrides sections DA 1, and DB 6 to DB 8 (which relate to deductions for interest expenditure).”, replace FE 6(2) and the words in FE 6(3) before the formula with “The excess debt entity is treated under section CH 8A (Interest apportionment: excess debt entity) as deriving in the income year an amount of income calculated for the income year using the formula-”, renumber FE 6(4) as FE 6(3), in clause FE 6(4)(a) replace “to which” with “allowed under”, omit “applies” before “less”, omit “as applicable” after “less”, in FE 6(4)(a)(i) and (ii) replace “an” with “the total”, in FE 6(4)(a)(ii) replace “of interest payable under a financial arrangement that is not income of the entity and is” with “allowed in relation to interest payable under a financial arrangement”, in FE 6(4)(b) replace “whole” with “total”.	Consistency of structure – this ensures that the negative deduction is treated as an amount of income in the same way as other negative deductions.	That the submission be accepted.
In clause FE 37, in the list of defined terms, insert “income year” and omit “tax year”.	Consistency of language.	That the submission be accepted.
In clause FF 5, in the list of defined terms, omit “tax year”.	Consistency of language.	That the submission be accepted.
In clause FF 7(6)(b), replace “subsection (4)” with “subsection (3)”.	Correction of cross-reference.	That the submission be accepted.
In clause FF 9(5)(b), omit “(Measurement dates)”, in (c) after “FE 8(2)”, insert “(Measurement dates)”.	Correction of cross-reference.	That the submission be accepted.

Part F – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause FF 10, in the list of defined terms, insert “income year” and omit “tax year”, add to compare “FH 4”.	Consistency of language.	That the submission be accepted.
In clause FM 4(2), replace “FM 3(3)” with “FM 3(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause FM 5(1), replace “FM 3(3)” with “FM 3(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause FM 12(2)(b), replace “; or” with “;”.	Consistency of language.	That the submission be accepted.
In clause FM 14, in the list of defined terms, insert “tax year”.	Consistency of language.	That the submission be accepted.
In clause FM 23(3), replace “group” with “groups”.	Consistency of language.	That the submission be accepted.
In clause FM 27, in the list of defined terms, insert “income tax”.	Consistency of language.	That the submission be accepted.
In clause FM 28(1)(c), omit “(Liability of consolidated groups and group companies)”, in the list of defined terms, insert “income tax”.	Consistency of language.	That the submission be accepted.
In clause FM 30(3)(b), replace “FD 12 to FD 17” with “OA 2 to OA 4, OA 7, OA 8, OC 2, OC 21, OC 23(4), OC 28(7), OC 34(3), OP 1, OP 2, and OP 51 to OP 77 (which relate to FDP accounts)”.	Correction of cross-reference.	That the submission be accepted.
In clause FM 35(2), replace “FM 3(3)” with “FM 3(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause FM 36(3), replace “FM 3(4)” with “FM 3(5)”.	Correction of cross-reference.	That the submission be accepted.
In clause FN 2(e), replace “sections OB 1 to OB 82” with “subpart OB”, replace “which relate to” with “Imputation credit accounts”.	Consistency of language.	That the submission be accepted.
In clause FN 8(2), replace “forms” with “may form”; after the second occurrence of “trans-Tasman imputation group” insert “. The election is made”; in the Compare note, insert “, (3)” after “FDA 3(1)”.	Consistency of language and correction of cross-reference.	That the submission be accepted.
In clause FZ 3, insert “instalment” into the list of defined terms.	Consistency of language.	That the submission be accepted.
Omit clause FZ 5.	Consistency of structure. This definition is moved to clause IZ 1 to bring it within its relevant rule.	That the submission be accepted.

Part G – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause GA 1, in the list of defined terms, omit “income tax” and insert “tax”.	Consistency of language.	That the submission be accepted.
In clause GB 16(1)(b)(ii), replace “EX 42(5)”, with “EX 42(6)”.	Correction of cross-reference.	That the submission be accepted.
In clause GB 6(1)(b), after “another company” insert “(the relevant company)”.	Improvement in readability.	That the submission be accepted.
In clause GB 19, in subclause (1) in paragraphs (a) and (b), replace “; and” with “:”, and in subclause (2) insert after “DS”, “ 2”.	Correction of cross-reference.	That the submission be accepted.
In clause GB 24(2)(g), replace “shares or losses” with “share of losses”.	Correction of language.	That the submission be accepted.
In clause GB 29, in the list of defined terms, omit “tax year”.	Consistency of language.	That the submission be accepted.
In clause GB 31, replace “if the arrangement had not been entered into” with “had the arrangement not occurred”.	Consistency of language.	That the submission be accepted.
In clause GB 44, replace “if the arrangement had not been entered into” with “had the arrangement not occurred”.	Consistency of language.	That the submission be accepted.
In clause GB 49(1)(c), insert replace “a purpose” with “the effect”.	Consistency of language.	That the submission be accepted.

Part H – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause HA 48(1)(b), insert “(which relate to imputation credits):”.	Consistency of language.	That the submission be accepted.
In clause HC 6, in the list of defined terms, omit “(2)” after “OF 2”.	Correction of cross-reference.	That the submission be accepted.
In clause HC 26(3)(a), replace “resident foreign trustee of an approved organisation” with “qualifying resident foreign trustee”.	Improvement in readability.	That the submission be accepted.
In clause HC 27(2)(a)(ii) and (b), replace “; or” with “:”.	Correction of language.	That the submission be accepted.
In clause HC 29(3), replace “during an income year” with “during the income year”.	Consistency of language.	That the submission be accepted.
In clause HC 35(4)(a), after “minor derives” insert “ from the trust”.	Improvement in readability.	That the submission be accepted.
In clause HC 36(5), in the definition of associated person or person associated, replace “sections OC 9 to OC 11 (which refer” with “sections YB 9 to YB 11 (which relate”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause HD 4(b), replace “HD 3(1)” with “HD 3(2)”.	Correction of cross-reference.	That the submission be accepted.
In clause HD 5, in the list of defined terms, omit “tax year”.	Consistency of language.	That the submission be accepted.
In clause HD 15, replace “Shell companies” with “Asset stripping of companies”, and in HD 15(1)(b), insert “(the tax obligation)” after “meet a tax liability”, in subclauses (2)(b) and (7) replace “liability” with “obligation”, and in subclause (2)(c), replace “investigation” with “Investigation”.	Improve readability and consistency of language.	That the submission be accepted.
In clause HD 15(3)(a), after “in relation to the arrangement” omit “either” and after “with the company” replace “or” with “and”.	Consistency of language.	That the submission be accepted.
In clause HD 15(9), in paragraph (b) of the definition of “controlling shareholder”, replace “YD 4” with “YC 4”, and also in clause HD 15(9), omit the definition of “tax obligation”.	Correction of cross-reference and improvement in readability.	That the submission be accepted.
In clause HD 20(b), omit “without any apportionment under section YD 5 (Apportionment of income derived partly in New Zealand)”.	Improvement in readability.	That the submission be accepted.
In clause HD 21, replace “New Zealand company” with “company incorporated in New Zealand”.	Consistency of language.	That the submission be accepted.
In clause HD 26(1), omit “gross”.	Consistency of language.	That the submission be accepted.
In clause HE 3(1), omit “CB 32”.	Correction of cross-reference.	That the submission be accepted.
In clause HF 4(2), omit “and carried out in good faith”.	Improvement in readability.	That the submission be accepted.
In clause HF 11(3)(a), after “in which the” insert “person’s”.	Improvement in readability.	

Part H – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In the heading to clause HL 2(10), replace “Rebate to entity” with “Tax credit”, and in clause HL 2(10), replace “rebate” with “tax credit”, and in the list of defined terms, insert “tax credit”.	Consistency of language.	That the submission be accepted.
In the heading to clause HL 3(1) and (3) and (5), omit “electing”.	Consistency of language.	That the submission be accepted.
In clause HL 6, in subclause (1)(a), replace “persons associated under section OD 8(3) (Further definitions of associated persons)” with “associated persons”; in subclause (3) replace “qualifying” with “public”, and in subclause (4), replace “a person associated under section OD 8(3) (Further definitions of associated persons)” with “persons associated”. In the list of defined terms, replace “qualifying unit trust” with “public unit trust”.	Consistency of language.	That the submission be accepted.
In clause HL 7(1)(a)(ii), omit “allowable”.	Consistency of language.	That the submission be accepted.
In clause HL 7(2)(b), replace “rebate” with “tax credit”, and in the list of defined terms, insert “tax credit”.	Consistency of language.	That the submission be accepted.
In the heading to clause HL 8 and in subclause (1), replace “imputation credit account” with “ICA”. Insert “ICA company” in the list of defined terms to clause HL 8, omit “imputation credit account”.	Consistency of language.	That the submission be accepted.
In clause HL 9, in subclauses (2)(a) and (4)(c), replace “qualifying” with “public”, and in subclause (6) replace “a person associated under section OD 8(3) (Further definitions of associated persons)” with “persons associated”. In the list of defined terms, replace “qualifying unit trust” with “public unit trust”.	Consistency of language.	That the submission be accepted.
In clause HL 11(1), omit “electing”.	Consistency of language.	That the submission be accepted.
In clause HL 12, in the heading before subclause (2), omit “electing”, in subclause (3)(a), replace “CX 44C” with “CX 54”, and in the list of defined terms, insert “non-standard accounting year”.	Consistency of language, and correction of cross-reference.	That the submission be accepted.
In HL 14(3)(a), replace “CX 44C” with “CX 54”.	Consistency of language.	That the submission be accepted.
In clause HL 20, in the clause heading replace “rebates” with “tax credit”, and in the heading and text of subclause (2) replace “rebate” each time it appears with “tax credit”, and in subclause (2) and in the heading to subclause (2), replace “KI 1” with “LS 1”.	Consistency of language and correction of cross-reference.	That the submission be accepted.
In clause HL 21(4), replace “MB” with “RC”.	Correction of cross-reference.	That the submission be accepted.
In clause HL 22(2), replace “MB” with “RC”.	Correction of cross-reference.	That the submission be accepted.
In clause HL 23(4), replace “MB” with “RC”.	Correction of cross-reference.	That the submission be accepted.

Part H – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause HL 25(2), replace “has” with “is allowed” and replace “DB 43B” with “DB 45B”.	Correction of cross-reference.	That the submission be accepted.
In the heading before clause HL 26, replace “Rebate” with “Tax Credits”.	Consistency of language.	That the submission be accepted.
In clause HL 26 in subclause (1), replace “rebate of tax” with “tax credit”, and replace “KI 1 (Rebate)” with : “LS 1 (Tax credits:”, and in subclause (2), replace “rebate of tax” with “tax credit”, and “KI 1” with “LS 1”, and replace “rebate” with “tax credit”. In the list of defined terms, insert “tax credit”.	Consistency of language and correction of cross-reference.	That the submission be accepted.
Omit the heading before clause HL 27.	Consistency of language.	That the submission be accepted.
In clause HL 27, in subclause (7)(a), replace “LC (Foreign Tax)” with “LJ (Tax credits for foreign tax)”; in subclause (7)(a)(ii), replace “(Basic rate of income tax and specified superannuation contribution withholding tax)” with “Basic tax rates: income tax, ESCT, RWT, and attributed fringe benefits”; in subclauses (7)(b), (9) (10) and (11), replace “LC” with “LJ”; in subclause (8)(b)(i), replace “DB 43B” with “DB 45B”; in (8)(b)(ii), replace the first occurrence of “rebate” with “tax credit” and replace “KI” with “KS” and replace the second occurrence of “rebate” with “tax credits”; and in subclause (11)(b) replace “rebate of tax” with “tax credit”; replace “KI” with “KS”; and replace “rebate” with “tax credits”. In the list of defined terms, insert “tax credit”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause HL 28, in subclause (1), replace “net loss” with “a loss balance” and “subparts IE and IF (which relate to tax losses generally)” with “subpart IA (General rules for tax losses)”; in subclause (2), replace “subpart IE and IF” with “subpart IA”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In the heading before clause HL 28(3), replace “or rebate” with “or credit”.	Consistency of language.	That the submission be accepted.
In clause HL 28, in subclause (3)(a), replace “DB 43B” with “DB 45B”, in subclause (3)(c), replace the first occurrence of rebate with “tax credit” and the second occurrence of “rebate” with “tax credits”; replace “KI” with “KS”. In the list of defined terms, insert “loss balance” and “tax credit” and omit “net loss”.	Correction of cross-reference and consistency of language.	That the submission be accepted.

Part I – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause IA 2, in the list of defined terms, omit “further income tax”.	Consistency of language.	That the submission be accepted.
In clause IA 6, in subclause (4)(a), replace “DV 5(4)(b)” with “DV 5(4)(a)”, and in both subparagraphs (i) and (ii) replace “IA 2(4)(b)” with “IA 2(4)(a)”.	Correction of cross-references.	That the submission be accepted.
In clause IA 8, in subclause (b) replace “which relates to non-resident general insurers;” with “for non-resident passive income described in section RB 3 (Schedular income tax liability for filing taxpayers for non-resident passive income);”, and in subclause (d), replace “for non-resident passive income described in section RB 3 (Schedular income tax liability for filing taxpayers for non-resident passive income);” with “which relates to non-resident general insurers;”.	Improvement in readability.	That the submission be accepted.
In clause IC 5(2), omit “either”.	Consistency of language.	That the submission be accepted.
In clause IC 9(3), replace “subsection (1)” with “subsections (1) and (2)”.	Correction of cross-reference.	That the submission be accepted.
In clause IC 10(3), replace “IP 2(2)” with “IP 2(4)”.	Correction of cross-reference.	That the submission be accepted.
In clause IP 5(2), replace “Company A using company B’s tax loss” with “Company B using company A’s tax loss”.	Consistency of language.	That the submission be accepted.
In clause IP 7(2), replace “date of payment” with “date for payment”.	Consistency of language.	That the submission be accepted.
In clause IS 1(2), omit “of companies”.	Consistency of language.	That the submission be accepted.
In clause IV 1(4), after “Part L”, insert “(Tax credits and other credits)”.	Consistency of language.	That the submission be accepted.
In clause IZ 1(12), insert the definitions of “conduct”, “existing farmer”, “land” and specified activity, and index these definitions in subpart YA.	Improvement in readability by moving definitions closer to the unique provisions to which the definitions relate.	That the submission be accepted.
In clause IZ 2(1)(a), after (9)(c), omit “which relate to partnership interests”.	Consistency of language.	That the submission be accepted.
In clause IZ 2(5), after “DZ 6(4), insert “of the Income Tax Act 1994”.	Consistency of language.	That the submission be accepted.
In clause IZ 3(1)(a)(i), replace “a petroleum permit” with “an existing privilege that was a mining licence”.	Consistency of language.	That the submission be accepted.
In clause IZ 3(4)(a), replace “a petroleum permit” with “an existing privilege that was a mining licence” in the first instance, and with “existing privilege” in the second instance.	Consistency of language.	That the submission be accepted.
In clause IZ 3, insert the definition of “existing privilege”.	Consistency of language.	That the submission be accepted.

Part L – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause LB 4, replace “Family assistance credits” with “Family assistance credit”.	Consistency of language.	That the submission be accepted.
In clause LB 5, omit the heading “tax credit” and omit subclause (2).	Correction of provision.	That the submission be accepted.
In clause LC 8, after “for the purposes of” replace “section LC 7” with “sections LC 6 and LC 7”.	Correction of cross-reference.	That the submission be accepted.
In clause LC 9, omit “LC 1”.	Correction of cross-reference.	That the submission be accepted.
In clause LD 1, before each occurrence of “public benefit gift” insert “charitable or other”, including in the list of defined terms.	Improvement in readability.	That the submission be accepted.
In clause LD 3, before each occurrence of “public benefit gift” insert “charitable or other”, including in the list of defined terms.	Improvement in readability.	That the submission be accepted.
In clause LF 8, in the list of defined terms, omit “exempt income”.	Consistency of language.	That the submission be accepted.
In clause LJ 1(5), omit “and 108(3B)”.	Correction of cross-reference.	That the submission be accepted.
In clause LK 1(3), replace “LL (Underlying foreign tax credits)” with “LQ (Tax credits for CTR companies)”.	Correction of cross-reference.	That the submission be accepted.
In clause LP 7, in the heading before subclause (1), before “sections LP 8”, insert “this section and”.	Correction of cross-reference.	That the submission be accepted.
Replace clause LZ 2(3), with “Despite the repeal of sections KF 1, NF 1(2)(a)(vi), NG 1(2)(f), and OB 5 by sections 13, 21, 22, and 26 of the Income Tax Act 1994 Amendment Act (No 3) 1995, a non-resident investment company, in relation to the development projects described in subsection (2), continues to be eligible for the tax credits referred to in sections LZ 3 to LZ 4.”.	Improvement in readability.	That the submission be accepted.

Part M – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause MA 7, in the list of defined terms, omit “tax credit”.	Consistency of language.	That the submission be accepted.
In clause MA 8, insert the definition of “net family scheme income”; in the list of defined terms insert “full-time earner” and “tax credit”.	Improvement in readability.	That the submission be accepted.
In clause MB 1(4), in the heading before the subclause, replace “attributing” with “qualifying”; in the clause, for each occurrence, replace “an attributing” with “a qualifying”; replace “loss attributing companies” with “LAQCs”; in the list of defined terms, omit “attributing company” and insert “qualifying company”.	Improvement in readability.	That the submission be accepted.
In clause MB 4(3)(b), after “excluding”, insert “fixed-rate” and omit “with only a fixed rate of dividend”.	Consistency of language.	That the submission be accepted.
In clause ME 1(2), replace “total” with “net family scheme”; in ME 1(3)(b), omit “total”; and in the list of defined terms, insert “net family scheme income”.	Consistency of language.	That the submission be accepted.
In clause MF 4(1)(b)(ii), after “ME 1”, insert “(which relate to credits)”.	Consistency of language.	That the submission be accepted.

Part O – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause OA 6(7)(a)(ii), replace “Table 013” with “Table 014”.	Correction of cross-reference.	That the submission be accepted.
In clause OA 9, in the list of defined terms, insert “shareholder”.	Consistency of language.	That the submission be accepted.
In clause OA 10, replace the section heading with “Credits and debits due to amalgamating company but not recorded”.	Consistency of language.	That the submission be accepted.
In clause OA 14, amend the section heading to read “When credits and debits due to consolidated group but not recorded”.	Consistency of language.	That the submission be accepted.
In clause OA 15(3)(c), after “equivalent tax credits” on each occurrence insert “of consolidated BETA groups”.	Consistency of language.	That the submission be accepted.
In clause OA 16(2)(a), replace “row 23” with “row 22”.	Correction of cross-references.	That the submission be accepted.
In clause OB 2, in the list of defined terms, omit “further income tax”.	Consistency of language.	That the submission be accepted.
In clause OB 4(3)(i), replace “as” with “of the type”.	Consistency of language.	That the submission be accepted.
In clause OB 11, in the compare note, after “(2)(d)”, insert “(3)”.	Correction of cross-reference.	That the submission be accepted.
In clause OB 13, in subclause (1), replace “(4)” with “(3)”; in subclause (2)(d), replace “previous” with “earlier”; in subclause (3)(a) omit “under section OB 13”; in subclause (3)(b), omit “under section OB 14, and referred to in section OB 46”.	Consistency of language and correction of cross-reference.	That the submission be accepted.
In clause OB 18(3), replace “6(3)” with “6(4)”.	Correction of cross-reference.	That the submission be accepted.
In clause OB 26, in subclause (2), omit “under section OB 26”; and in subclause (2)(b), replace “pooling accounts” with “pooling account”.	Consistency of language.	That the submission be accepted.
In clause OB 32(1), replace “(2)” with “(1)”.	Correction of cross-reference.	That the submission be accepted.
In clause OB 50, in the list of defined terms, omit “associated person”.	Consistency of language.	That the submission be accepted.
In clause OC 21, replace “section OP 58 (Consolidated FDPA dividend derived with FDP credit” with “section OP 59 (Consolidated FDPA group company’s credit)”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause OC 22, in the list of defined terms, insert “MG 8(4)”.	Correction of cross-reference.	That the submission be accepted.
In clause OC 26, in the compare note, replace “(2)(i)” with “(2)(h)”.	Correction of cross-reference.	That the submission be accepted.
In clause OC 28(5), replace “row 10” with “row 11”.	Correction of cross-reference.	That the submission be accepted.
In clause OD 5(3)(a), omit “credit” and replace “subsection (8)” with “subsection (9)”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause OJ 1, in the compare note, insert “ME 21”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 23(3)(c), replace “row 16” with “row 18”.	Correction of cross-reference.	That the submission be accepted.

Part O – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause OP 24(2), replace “subsection (1)” with “subsection (2)” and “row 17” with “row 20”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 45(8)(b), replace “row 13” with “row 16”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 66(3), replace “row 10” with “row 11”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 67(3), replace “row 10” with “row 11”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 68, in the compare note, replace “MG 1” with “MG 15”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 74(3), replace “(3)” with “(2)”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 81(3)(a), after “38” replace “(1)” with “(2)”, omit “credit”, and replace “(8)” with “(9)”.	Correction of cross-reference and consistency of language.	That the submission be accepted.
In clause 103, in the compare note, replace “(1)” with “(2)”.	Correction of cross-reference.	That the submission be accepted.
In clause OP 113(1)(b), replace “”Meaning of” with “which relate to”.	Consistency of language.	That the submission be accepted.
In clause OP 114(1)(b), replace “”Meaning of” with “which relate to”.	Correction of cross-reference.	That the submission be accepted.

Part R – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause RA 21, in the list of defined terms, omit “FBT rules” and “PAYE rules”.	Consistency of language.	That the submission be accepted.
In clause RA 22, omit subclause (1), and in the list of defined terms, omit “income tax”.	Correction of provision.	That the submission be accepted.
In clause RC 7(6), replace “changes they way” with “changes the way”.	Consistency of language.	That the submission be accepted.
In clause RD 58(3), after “clause 6”, insert “(b), (c), (d), or (e)”.	Correction of cross-reference.	That the submission be accepted.
In clause RE 7, after subclause (1)(c)(ii), insert “; and (iii) is not a nominee to whom section RF 8 would apply”. In the list of defined terms, insert “nominee”.	Improvement in readability.	That the submission be accepted.
In clause RE 8, in the section heading, replace “agents” with “nominees”; in subclause (1)(a) replace “acting as an agent” with “a nominee”; in the list of defined terms insert “nominee”.	Improvement in readability.	That the submission be accepted.
In clause RF 9, in subclause (5), omit “(Basic tax rates: income tax, ESCT, RWT, and attributed fringe benefits) for the tax year in which the dividend is paid”; in subclause (6), in the formula, insert “CTR” before “credit” and omit “for conduit tax relief”.	Consistency of language.	That the submission be accepted.
In clause RF 12(2)(a), replace “part E, clause 1 or 2” with “part D, clause 4 or 5”.	Consistency of language.	That the submission be accepted.
In clause RG 1(1)(h), after “income tax” insert “varied”.	Consistency of language.	That the submission be accepted.
In clause RG 6, in subclause (6), for each occurrence, omit “electing”, and after “company”, insert “making the election”.	Consistency of language.	That the submission be accepted.
In clause RM 6, replace “\$50” with “\$200”.	This updates the amount to reflect the effect of the Income Tax (Refund of Excess Tax) Order 2003.	That the submission be accepted.

Part R – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<p>In clause RM 16, replace subclause (2) with “The amount prevented from being a refund or transfer —</p> <ul style="list-style-type: none"> (a) is applied to satisfy an income tax or provisional tax liability of the company for the tax year of the entitlement; and (b) may be used by the company to satisfy an income tax or provisional tax liability for a tax year other than the tax year of entitlement; and (c) is retained in the company’s tax account with the Commissioner to the extent to which paragraphs (a) and (b) do not apply, whether because the company is liquidated or for another reason.” <p>And after subclause (3), insert: <i>“Relationship with section RZ 3</i></p> <p>(4) Section RZ 3 (Limits on refunds: transitional dates) overrides subsection (2)(b).”</p>	Improvement in readability.	That the submission be accepted.
<p>In clause RM 22, after subclause (2), insert: <i>Satisfying liabilities or retained</i></p> <p>(4) If the Māori authority has a refund of income tax, and an amount paid in excess is not refunded because of the application of subsection (2) or section RM 23, the amount prevented from being a refund or transfer—</p> <ul style="list-style-type: none"> (a) is used to satisfy an income tax or provisional tax liability of the Māori authority for the tax year of the entitlement; and (b) may be used by the Māori authority to satisfy an income tax or provisional tax liability for a tax year other than the tax year of entitlement; and (c) is retained in the authority’s tax account with the Commissioner to the extent to which paragraphs (a) and (b) do not apply. <p><i>Credit for provisional tax</i></p> <p>(5) Despite subsection (4), the amount may be credited on a provisional tax instalment date if residual income tax is treated under section 120K of the Tax Administration Act 1994 as payable on the date set out in Part 7 of that Act.</p> <p><i>Relationship with section RZ 3</i></p> <p>(6) Section RZ 3 (Limits on refunds: transitional dates) overrides subsection (4)(b).”</p> <p>And in the list of defined terms, insert “Commissioner”, “instalment date”, and “provisional tax”.</p>	Correction of provision and consistency of language.	That the submission be accepted.

Part R – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<p>In clause RM 31, replace subclause (2) with: “The amount prevented from being a refund—</p> <p>(a) is used to satisfy an income tax or provisional tax liability of the person for the tax year of the entitlement; and</p> <p>(b) may be used by the person to satisfy an income tax or provisional tax liability for a tax year other than the tax year of entitlement; and</p> <p>(c) is retained in the person’s tax account with the Commissioner to the extent to which paragraphs (a) and (b) do not apply.”</p> <p>Also insert subclause (4): <i>“Relationship with section RZ 3</i></p> <p>(4) Section RZ 3 (Limits on refunds: transitional dates) overrides subsection (2)(b).”</p>	Correction of provision and consistency of language.	That the submission be accepted.
<p>In clause RP 6, replace “if the arrangement had not been entered into” with “had the arrangement not occurred”.</p>	Consistency of language.	That the submission be accepted.
<p>In clause RZ 1(1), replace “1998–99 or later income year” with “1998–99 income year or a later income year”.</p>	Consistency of language.	That the submission be accepted.
<p>Replace clause RZ 3(1) with: <i>“ICA companies</i></p> <p>(1) If an ICA company has a refund of income tax, and an amount paid in excess is dealt with under section RM 16(2)(b) (Treatment of amounts not refunded), the amount may be used only for a tax year commencing after the 1988–89 tax year, whether that is before or after the year of that entitlement.”</p>	Correction of provision and consistency of language.	That the submission be accepted.
<p>Replace clause RZ 3(2) with: <i>“Māori authorities</i></p> <p>(2) If a Māori authority has a refund of income tax, and an amount paid in excess is dealt with under section RM 22(4)(b) (Limits on refunds for Māori authorities), the amount may be used only for a tax year commencing after the 2004–05 tax year, whether that is before or after the year of that entitlement.”</p>	Correction of provision and consistency of language.	That the submission be accepted.
<p>Replace clause RZ 3(3) with: <i>“PCA persons</i></p> <p>(3) If a PCA person has a refund of income tax, and an amount paid in excess is dealt with under section RM 31(2)(b) (Treatment of amounts not refunded), the amount may be used only for a tax year commencing after the 1990–91 tax year, whether that is before or after the year of that entitlement.”</p>	Correction of provision and consistency of language.	That the submission be accepted.
<p>In clause RZ 3, in the list of defined terms, omit “pay” and “tax pooling account”.</p>	Consistency of language.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In clause YA 1		
• In the definition of “acceptable property”, replace “GB 45” with “GB 45(3)”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “affected associate”, replace “GB 48” with “GB 48(1)”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “amalgamation”, omit paragraph (b), and in paragraph (a)(iii), replace “subparagraphs (i) to (iii)” with “subparagraph (i)”.	Redundant reference.	That the submission be accepted.
• In the definition of “arrangement property”, replace “GB 45” with “GB 45(3)”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “assessment period”, replace “GB 45” with “GB 45(3)”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “Australian financial year”, replace “CV 8” with “CV 8(3)”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “bonus issue”, replace “electing” with “choosing”.	Consistency of language.	That the submission be accepted.
• In the definition of “public benefit gift”, replace the term “public benefit gift” with “charitable or other public benefit gift”.	Improvement in readability.	That the submission be accepted.
• In the definition of “charitable organisation”, in paragraph (a), replace the term “public benefit gift” with “charitable or other public benefit gift”.	Consistency of language.	That the submission be accepted.
• In the definition of “civil union partner”, omit “fully employed person”.	Consistency of language.	That the submission be accepted.
• In the definition of “combined tax and earner-related payment”, in paragraph (b), replace “tax for” with “withholding from”.	Consistency of language.	That the submission be accepted.
• In the definition of “continuity period”, omit “Part I (Treatment of tax losses)”.	Consistency of language.	That the submission be accepted.
• In the definition of “contract payment”, in paragraph (c), replace “Part A Clause 8 or 9” with “Part F”.	Correction of cross-reference.	That the submission be accepted.
• In the definition of “controlled petroleum mining company”, replace “petroleum mining permit” with “petroleum permit”.	Consistency of language.	That the submission be accepted.
• In the definition of “controlled petroleum mining trust”, replace “petroleum mining permit” with “petroleum permit”.	Consistency of language.	That the submission be accepted.
• In the definition of “controlling shareholder”, replace “Shell companies” with “Asset stripping of companies”.	Consistency of language.	That the submission be accepted.
• In the definition of “current accounting year”, omit “and the definition of UFTC accounting period”.	Consistency of language.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> In paragraph (b) of the definition of “director”, replace “Shell companies” with “Asset stripping of companies”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (e) of the definition of “dispose”, omit “CX 36”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “disposition of property”, replace “definitions of settlor and” with “definition of”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of dividend, in paragraph (e), replace “FM 29, FM 30, GB 38, and OP 56 to OP 77” with “FM 30, GB 38, OP 58, and OP 64 to OP 68”; and also in paragraph (e), after “company dividend statement”, insert “excess credit amount”; and after FDP ratio, omit “excess credit amount”. 	Consistency of language and correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “employment”, insert after the term “employment” the phrase “has a meaning corresponding to the meaning of employee, and”; and in paragraph (a) after “Parliament”, insert “or a judicial officer”; and omit paragraphs (b) to (d) inclusive. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “environmental restoration account”, replace “EK 23” with “EK 23(3)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (e) of the definition of “excluded option”, insert “fixed rate” between the first occurrence of “excluded” and “security”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “excluded security” in the term, insert “fixed rate” between the first occurrence of “excluded” and “security”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “exploration and development activities”, replace “CW 56” with “CW 56(2)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “FAI group”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “Family scheme income” with “Family scheme income is defined in section MA 8 (Some definitions) for the purposes of Part M (Tax credits for families)”. 	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “farm-out arrangement”, in each instance replace “petroleum mining permit” with “petroleum permit”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “FIF net loss”, omit “sections DN 8 (Ring-fencing cap on deduction: not branch equivalent method) and”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “Financial Reporting Standard No 13 1995 (Accounting for Research and Development Activities)”, after “DB 35”, replace “(Research or development)” with “EE 1, EJ 22, and EJ 23 (which relate to depreciation generally and also deductions for research and development)”. 	Correction of cross-reference.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> In the definition of “financial statements”, replace “sections OB 30 to OB 59 (which relate to debits arising to imputation credit accounts),” with “sections EG 3 (Allocation of income and deductions by portfolio tax rate entity) and OB 40 (ICA attribution for personal services)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “flat-owning company”, after “purposes of that section”, insert “and section HA 6(Corporate requirements”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definitions of “qualifying exempt entity”, “foreign exempt partnership” and “foreign exempt person”, replace “qualified foreign equity investor” with “qualifying foreign equity investor”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “income from employment”, in paragraph (b) and (c), replace “DA 2” with “DA 2(4)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “income tax”. 	Consistency of language and structure.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (b) of the definition of “insurance”, after “derived by” insert “non-resident”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “interest instalment date”, after “120K” insert “of the Tax Administration Act 1994”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “interested shareholder”, replace “Shell companies” with “Asset stripping of companies”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “land”, replace paragraph (e) with: “(e) is defined in section IZ 1(12) (Use of specified activity net losses) for the purposes of that section.”. 	Consistency of language, and to locate a single use definition close to its operative rule.	That the submission be accepted.
<ul style="list-style-type: none"> Insert a definition of LAQC: “LAQC means a loss-attributing qualifying company as defined in section HA 3 (Meaning of loss-attributing qualifying company)”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “lease improvement”. 	This definition was repealed as a consequence of the repeal of the Marine Farming Act 1971 by sections (6) to (17) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004. Under this Act, these lease improvements will now relate to a coastal permit under the Resource Management Act 1991.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “lessee”, in paragraph (a), replace “paragraph (d)” with “paragraph (c)”, and in paragraph (b), replace “paragraph (c)” with “paragraph (d)”. 	Correction of cross-reference.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> In the definition of “lessor”, in paragraph (a), replace “paragraph (d)” with “paragraph (c)”, and in paragraph (b), replace “paragraph (c)” with “paragraph (d)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “market value circumstance”, replace each occurrence of “excluded security” with “excluded fixed rate security”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (a) of the definition of “member”, replace “OB 77” with “OB 75”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “mortgage”. 	The definition is updated and simplified.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “net equity threshold”. 	No longer a defined term.	That the submission be accepted.
<ul style="list-style-type: none"> Insert an index entry definition for “net family scheme income”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “net mining loss”. 	No longer necessary to use this term.	That the submission be accepted.
<ul style="list-style-type: none"> Replace paragraph (b) of the definition of New Zealand with: “the water and the air space above any part of the continental shelf that is beyond New Zealand’s territorial sea, as defined in section 3 of the Territorial Sea, Contiguous Zone, and Exclusive Economic Zone Act 1977, if and to the extent to which— (i) any exploration or exploitation in relation to the part, or any natural resource of the part, is or may be undertaken; and (ii) the exploration or exploitation, or any related matter, involves, or would involve any activity on, in, or in relation to the water or air space”. 	Improvement of readability.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “New Zealand company”. 	No longer required.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “New Zealand group debt percentage”. 	No longer required.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> • Replace the definition of “New Zealand superannuation” with: “New Zealand superannuation— <ul style="list-style-type: none"> (a) means New Zealand superannuation payable under Part 1 of the New Zealand Superannuation and Retirement Income Act 2001; and (b) includes— <ul style="list-style-type: none"> (i) a living alone payment payable to a New Zealand superannuitant under section 13 of the New Zealand Superannuation and Retirement Income Act 2001; and (iii) an amount payable under section 70(3)(b) of the Social Security Act 1964; and (iv) national superannuation payable, before 1 April 1994, under Part 1 of the Social Welfare (Transitional Provisions) Act 1990; and (c) does not include— <ul style="list-style-type: none"> (i) portable New Zealand superannuation; or (ii) a supplement or benefit paid or payable under any of sections 61DB, 61DC, 61DD, 61DE, 61EA, 61G, and 69C of the Social Security Act 1964”. 	Improvement in readability by removal of paragraphs that are no longer required – for example, subparagraph (b)(ii) is omitted.	That the submission be accepted.
<ul style="list-style-type: none"> • Insert a new definition for “nominee”. 	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “non-participating redeemable share”, omit “for the purposes of that section”. 	Correction of definition.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “notional offshore investment amount”, replace “subpart FE (Interest apportionment on thin capitalisation)” with “section FE 21(14) (Banking group’s New Zealand net equity)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “notional value” replace “value” with “sale price”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “option”, replace “YC 2 to YC 16” with “YC 2, YC 3, YC 5, YC 8, and YC 9”; and after “market value”, replace “paragraphs (e) and (f)” with “paragraphs (a) and (b)”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “outstanding balance”, replace “to FZ 4” with “and FZ 3”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “penalty interest date”, replace “Shell companies” with “Asset stripping of companies”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> • In the definition of “period of restriction”, replace “and DC 14” with “to DC 15”. 	Correction of cross-reference.	
<ul style="list-style-type: none"> • Omit paragraph (b) of the definition of “permit area”. 	No longer required.	That the submission be accepted.
<ul style="list-style-type: none"> • Omit the definitions of “petroleum mining or prospecting information”, “petroleum or prospecting right”, “petroleum mining venture”. 	No longer required.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> Replace the definition of “petroleum permit” with: “petroleum permit means— (a) a prospecting permit; (b) an exploration permit; (c) a mining permit to the extent to which it remains current”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “planting” and in the definition of “plot”, replace “DO 7” with “DO 8”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (c) of the definition of “premium”, replace the text before subparagraph (i) with: “in sections DZ 9 (Premium paid on land leased before 1 April 1993) and EZ 8 (Premium paid on land leased before 1 April 1993) and for the purposes of section DZ 9 (Premium paid on land leased before 1 April 1993),—”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “produce transactions”, in paragraph (a), replace “, OB 74, and OB 77” with “and OB 74”; and in paragraph (b), replace “, OB 79; and OB 82” with “and OB 79”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In paragraph (b) of the definition of “property”, omit “of property or services”. 	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “public authority”, after “of Australia”, insert “and continued under the Christmas Island Agreement Act 1958”. 	Correction of definition.	That the submission be accepted.
<ul style="list-style-type: none"> Omit definition of “public benefit gift”. 	No longer needed as definition changed to “charitable or other public benefit gift”.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “qualifying event”, in paragraph (c), replace “subsequent” with “later”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “qualifying foreign equity investor”, after “disposal by”, replace “qualified” with “qualifying”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “registered as a charitable entity” with “means registered as a charitable entity under the Charities Act 2005”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “relinquishment”, in paragraphs (a), replace “petroleum mining permit” with “petroleum permit”; and in paragraph (b), after “existing privilege”, insert “applying to a mining licence under the Petroleum Mining Act 1927”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “removal or restoration operations”, replace “petroleum mining permit” with “petroleum permit”. 	Consistency of language.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none"> In the definition of “replacement permit”, replace “petroleum mining permit” with “petroleum permit”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “replacement plant”, replace “DO 4 to DO 9” with “DO 6, DO 7, and DO 9”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of residual expenditure, replace “petroleum mining permit” with “petroleum permit”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “seal and abandonment”, replace “mining licence” with “petroleum mining permit”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “settlor”, in paragraph (a), replace “subpart HC (Trusts), except for the modifications set out in paragraph (b), the 1988 version provisions,” with “subpart YB (Associated persons and nominees)”; and also replace “definitions of foreign trust and settlement” with “definition of settlement”; and in paragraph (b), replace “HC 35 to HC 37” with “HC 36 and HC 37”. 	Correction of cross-reference and consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “share”, in paragraph (f), after “Meaning of share:” insert “when share acquired”, and in paragraph (g), replace “DC 14” with “DC 15”. 	Consistency of language and correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “share purchase agreement”, after “which relate to”, replace “share repurchase agreement:” with “employment income”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “specified activity” with an index entry. 	Definition moved close to operative rules.	That the submission be accepted.
<ul style="list-style-type: none"> Insert the definition of “statutory trustee company”. 	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “subsequent dividend”. 	No longer required.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “supply”, replace “GC 6 to GC 13” with “GC 6, GC 9, and GC 10”. 	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none"> Replace the definition of “tax”. 	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “tax code notification”. 	No longer required.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “tax obligation”. 	No longer required.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “taxable supply”, replace “is defined in section 2” with: “has the meaning given in section 2(1)”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> In the definition of “trust”, replace “is defined in” with “has the meaning given by”. 	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none"> Omit the definition of “trustee company”. 	Renamed as “statutory trustee company”.	That the submission be accepted.

Part Y – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
<ul style="list-style-type: none">• Omit the definition of “world wide group debt percentage”.	No longer required.	That the submission be accepted.
<ul style="list-style-type: none">• Replace clause YA 2 (Meaning of income tax varied).	Improvement in readability.	That the submission be accepted.
<ul style="list-style-type: none">• In clause YB 20, in the definition of “1988 version provisions”, in paragraph (b), replace “sections DB 14, EW 43, EW 49 and EZ 41 (which relate to taxation of transactions involving financial arrangements)” with “section DB 14 (Repayment of debt sold at discount to associate of debtor)”, and in paragraph (f), replace “EE 43” with “EE 42”, and in paragraph (n), replace “Shell companies” with “Asset stripping of companies”.	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none">• In clause YC 20, replace “fixed return” with “fixed rate” at each occurrence, including the list of defined terms.	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none">• In clause YD 4(16), replace “YD 7” with “YD 8(2)”.	Correction of cross-reference.	That the submission be accepted.
<ul style="list-style-type: none">• In the list of defined terms for clause YD 7, insert “royalty”.	Consistency of language.	That the submission be accepted.
<ul style="list-style-type: none">• In clause YD 11(6), replace “sections YC 3(3)(d) and YC 4(3)(d)” with “section YC 4(2) and (5)”.	Correction of cross-reference.	That the submission be accepted.

Schedules – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In Schedule 1, Part D, in clause 4 (RWT), clause 5 (Interest: most companies) and clause 7 (Māori authorities) in the opening words, replace “given by” with “set out”.	Consistency of language.	That the submission be accepted.
In Schedule 2, Part A, clause 1(a), replace “RD 1” with “RD 3”.	Correction of cross-reference.	That the submission be accepted.
In Schedule 4, Part E, in the item “labour-only fishing boat work”, replace “section 5 of the Fisheries Act 1963” with “section 103 of the Fisheries Act 1996”.	Correction of cross-reference.	That the submission be accepted.
In Schedule 5, Clause 1, replace “ND 14” with “RD 61”.	Correction of cross-reference.	That the submission be accepted.
In Schedule 32, replace “public benefit gift” with “charitable or other public benefit gift”.	Consistency of language.	That the submission be accepted.
In Schedule 36, insert “Crown Forestry Management Limited” and “Timberlands West Coast Limited”.	Correction of list of State Enterprises.	That the submission be accepted.
In Schedule 49, in relation to the Child Support Act, replace the definition of “source deduction payment”; replace “Sections 55(1)(da) and 73(1)(a):” with “Section 55(1)(da)”; also replace “Sections 77 and 90(1)(ca)” with “Section 77”; and after “section 89B”, insert “Section 90(1)(ca)”. “Income Tax Act 2004” is replaced by “Income Tax Act 2006” in each place where it appears.	Consistency of language.	That the submission be accepted.
In Schedule 49, in relation to the Dairy Industry Restructuring Act 2001, replace “Section 152(c) and (e): replace “Income Tax Act 2004” with “Income Tax Act 2006” in each place where it appears. Section 152(c) and (e): “Income Tax Act 2004” is replaced by “Income Tax Act 2006” in each place where it appears. Section 152(e): “section OB 1 of the Income Tax Act 2004” is replaced by “section YA 1 of the Income Tax Act 2006”. After the reference to IA 6 (as it relates to section 152(e) of the Dairy Industry Restructuring Act), replace “the Income Tax Act 2006” with “that Act”. Section 156(3)(a)(i): “section CB 4(1)(g)” is replaced by “section CB 5(1)(g)” in each place where it appears. Section 156(3)(a) and (c): “section CW 43” is replaced by “section CW 50” in each place where it appears. Section 156(3)(c): “section CW 43” is replaced by “section CW 50”.	Consistency of language and correction of cross-references.	That the submission be accepted.
In Schedule 49, in relation to the Energy Companies Act 1992, insert after the references to section 54(2), the phrase “words before paragraph (a).”; and in the second reference to 54(2) and the reference to section 62(2), clarify that the words “to hold” are replaced by “treated by the Income Tax Act 2006 as holding”.	Consistency of language.	That the submission be accepted.

Schedules – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In Schedule 49, in relation to the Estate and Gift Duties Act 1968, in relation to section 74B and 75B(1)(c), replace “Income Tax Act 2006” with “that Act”.	Consistency of language.	That the submission be accepted.
In Schedule 49 in relation to the Finance Act 1988 and the Finance Act 1991, include the amendments to Schedule 36 made by those Acts.	Consistency of language.	That the submission be accepted.
In Schedule 49, in relation to the Goods and Services Tax Act 1985, corrections to cross-references are made and references to section 48(3) are omitted.	Correction of cross-references.	That the submission be accepted.
In Schedule 49, in relation to the Government Superannuation Fund Amendment Act 1990, corrections are made to cross-references.	Correction of cross-references.	That the submission be accepted.
In Schedule 49, in relation to the Home Ownership Savings Act 1974, corrections to cross-references are made.	Correction of cross-references.	That the submission be accepted.
In schedule 49, in relation to the Injury Prevention, Rehabilitation, and Compensation Act 2001, corrections to cross-references are made; the definition of “PAYE income payment” is inserted; the reference to section 204(1) is omitted; the reference to schedule 4, clause 22 is replaced; and a number of grammatical improvements are made.	Correction of cross-references and consistency of language.	That the submission be accepted.
In Schedule 49, The Insolvency Act 1967 is omitted, and the Insolvency Act 2006 is inserted.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, the Insurance Companies Deposit Act 1953 is inserted.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, a new amendment is inserted in relation to the Kiwifruit Industry Restructuring Act 1999, in relation to clause 23(4), and other cross-references are corrected.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, replacement amendments are made to sections 4, 14, 17, 23(2), 34(4), 67(3)(a), 67(4), 73, 78, 86 and 93 of the KiwiSaver Act 2006, and the amendment to section 4 and 14 are made.	Further amendments and corrections of cross-references.	That the submission be accepted.
In Schedule 49, correction to amendments for the National Provident Fund Restructuring Amendment Act 1997 are made.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, correction to amendments for the New Zealand Superannuation and Retirement Income Act 2001 are made.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, correction to amendments for the Perpetuities Act 1964 are made.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, correction to amendments for the Radiocommunications Act 1989.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, reference to the Securities Market Act 1988 is omitted.	No longer required.	That the submission be accepted.

Schedules – Officials’ changes

<i>Submission</i>	<i>Comment</i>	<i>Recommendation</i>
In Schedule 49, amendments to sections 83A(4)(b) and 83A(6) of the Social Security Act 1964 are replaced.	Correction of amendments.	That the submission be accepted.
In Schedule 49, amendments to sections 21, 28(3), and 55B(4), of the Student Loan Scheme Act are made.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, amendments to section 16 of the Tarawera Forest Act 1967 are inserted.	Correction of amendments.	That the submission be accepted.
In Schedule 49, reference to the Taxation (GST and Miscellaneous Provisions) Act 2000, and the Taxation (Taxpayer Assessment and Miscellaneous Provisions) Act 2001 are omitted.	Correction of amendments.	That the submission be accepted.
In Schedule 49, amendments are made to cross-references in the Financial Reporting Order 1994.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, corrections are made to amendments and a new amendment for regulation 8 is inserted in relation to the Health Entitlement Cards Regulation 1993.	Correction of cross-reference and amendments.	That the submission be accepted.
In Schedule 49, corrections are made to cross-references for the Income Tax (Social Assistance Suspensory Loans) Order 1995.	Correction of cross-reference.	That the submission be accepted.
In Schedule 49, amendments proposed for Schedule 2 of the Student Allowances Regulations 1998 are omitted.	Correction of amendments.	That the submission be accepted.
In Schedule 50, in relation to section 80KU(1)(a) of the Tax Administration Act 1994, replace “or” with “with”.	Correction of language.	That the submission be accepted.
In Schedule 51, a correction is made to the entry for clause FA 3.	Correction of text.	That the submission be accepted.
In Schedule 51, insert intended change for clause LC 9(2).	Intended change that rationalises two formulae as a simplification measure.	That the submission be accepted.
In Schedule 51, insert intended change for the definition of “land” in clause YA 1.	Intended change to rationalise the definition and its use.	That the submission be accepted.
In Schedule 51, insert intended change for the definition of “mortgage”.	Intended change to omit obsolete language.	That the submission be accepted.
In Schedule 51, insert intended change for the definition of “pay” in clause YA 1.	Intended change to rationalise the definition and its use.	That the submission be accepted.