



# Cabinet

14

## Minute of Decision

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### Government Response to the Tax Working Group

Portfolios                      Finance / Revenue

On 15 April 2019, Cabinet:

#### Background

- 1        **noted** that the paper under CAB-19-SUB-0176 reports on the recommendations made in the Tax Working Group's Final Report, which was provided to the government on 21 February 2019;
- 2        **noted** that the table in the Appendix to the paper under CAB-19-SUB-0176 (the appended table) sets out the Tax Working Group's 99 recommendations and the proposed government response to each of those recommendations;

#### Capital gains taxation

- 3        **agreed** to not implement an extension of capital gains taxation;
- 4        **noted** that, consistent with the appended table, the government intends to explore options for taxing vacant land held by land-bankers and to seek a review of the current rules of taxing land speculators as a high priority for the work programme (TPWP);

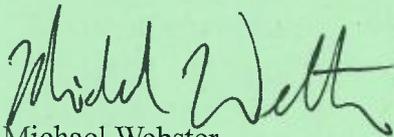
#### Approach to other recommendations

- 5        **agreed** to endorse the Tax Working Group recommendations where that is the proposed response indicated in the appended table;
- 6        **agreed** that no further work is required on the Tax Working Group recommendations where that is the proposed response indicated in the appended table;
- 7        **noted** the work already underway on the Tax Working Group recommendations where that is the proposed response indicated in the appended table;
- 8        **agreed** to consider for inclusion in the 2019/20 Tax Policy Work Programme and/or other agency work programme, the Tax Working Group recommendations where that is the proposed response indicated in the appended table;
- 9        **agreed** to consider as a high priority for inclusion in the 2019/20 Tax Policy Work Programme and/or other agency work programme, the Tax Working Group recommendations where that is the proposed response indicated in the appended table;

- 10 **authorised** the Minister of Finance and the Minister of Revenue to make minor and technical amendments to the appended table and the contents of the paper attached to CAB-19-MIN-0176;

**Administration and implementation**

- 11 **noted** that the Tax Policy Work Programme is jointly agreed by the Minister of Finance and the Minister of Revenue, and that this process includes submitting the proposed programme to Cabinet;
- 12 **noted** that *He Ara Waiora / A Pathway Towards Wellbeing* is being taken forward by The Treasury in the Living Standards Framework Programme, in consultation with Te Puni Kōkiri and the Office for Maori - Crown Relations: Te Arawhiti;
- 13 **noted** that if Ministers add extra Tax Working Group recommendation projects to the Tax Policy Work Programme, and no additional policy advice funding is received, there will be a significant impact on the current work programme, which may mean some projects will need to be reprioritised or put on hold;
- 14 **noted** that Inland Revenue will seek funding for additional tax policy advice as part of the 2019 Tax Policy Work Programme refresh, should Ministers wish to increase the amount of tax policy work undertaken.



Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

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Deputy Prime Minister  
Minister of Finance  
Secretary to the Treasury  
Minister of Revenue  
Commissioner of Inland Revenue