



# Cabinet Economic Development Committee

## Minute of Decision

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### Options for Taxing the Digital Economy

**Portfolios**                      **Finance / Revenue**

On 8 May 2019, the Cabinet Economic Development Committee:

- 1        **noted** that on 18 February 2019, Cabinet:
  - 1.1      noted that there is a problem with the current taxation of the digital economy, both in New Zealand and internationally;
  - 1.2      noted that a number of countries, including Australia, are investigating or implement digital services taxes (DSTs);
  - 1.3      agreed that New Zealand should continue to participate in the OECD discussions on the taxation of the digital economy, with a view to supporting a long-term solution (bearing in mind its effect on New Zealand exporters);
  - 1.4      directed officials to draft a discussion document to get public feedback on the options for taxing the digital economy (being the international solution and the DST);
  - 1.5      noted that the Minister of Finance and the Minister of Revenue, in consultation with the Prime Minister, will report back with a draft of the discussion document prior to its release;

[CAB-19-MIN-0041]

- 2        **agreed** to the release of the document *Options for Taxing the Digital Economy: A Government Discussion Document* (the discussion document), attached to the paper under DEV-19-SUB-0110, subject to any changes in accordance with paragraphs 3 and 4 below;
- 3        **authorised** the Minister of Finance and the Minister of Revenue to make minor editorial and technical changes to the discussion document prior to its release;
- 4        **noted** that if the OECD proposals change before the release date, the Minister of Finance and the Minister of Revenue will update the description of those proposals in the discussion document.

Janine Harvey  
Committee Secretary

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**Hard-copy distribution: (see over)**

**Present:**

Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Phil Twyford  
Hon Dr Megan Woods (Chair)  
Hon Chris Hipkins  
Hon David Parker  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Shane Jones  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Eugenie Sage

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV

**Hard-copy distribution:**

Minister of Finance  
Minister of Revenue