



# Cabinet Economic Development Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2022

**Portfolio**                      **Revenue**

On 2 March 2022, the Cabinet Economic Development Committee:

- 1        **noted** that the Taxation (Annual Rates for 2020-21, Feasibility Expenditure, and Remedial Matters) Act 2021 introduced temporary relief from a deemed income rule that is due to expire on 17 March 2022;
- 2        **noted** that the Tax Administration Act 1994 allows the temporary relief from the deemed income rule to be extended by Order in Council;
- 3        **noted** that section 225ABA of the Tax Administration Act 1994 requires the Minister of Revenue to be satisfied that people in New Zealand are likely to continue, beyond the expiry of the existing period, to be significantly adversely affected by COVID-19;
- 4        **noted** the advice of the Minister of Revenue that this requirement has been met;
- 5        **agreed** that the Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2022 will come into force on 16 March 2022 and extend the period of relief until 31 March 2023;
- 6        **noted** that the above decision has the following estimated fiscal costs, which will be charged against the Tax Policy Scorecard:

Vote Revenue Minister of Revenue	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Tax Revenue	-	(2.000)	(3.000)	-	-
Total Operating	-	2.000	3.000	-	-

- 7        **noted** that a waiver of the 28-day rule is sought:
  - 7.1        on the basis that the exercise of the power will only positively affect taxpayers;
  - 7.2        so that the Order can come into force on 16 March 2022 before the current temporary relief expires;

- 8 **agreed** to waive the 28-day rule so that the regulations can come into force on 16 March 2022;
- 9 **authorised** the submission to the Executive Council of the Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2022 [PCO 24444/4.0].

Janine Harvey  
Committee Secretary

---

**Present:**

Hon Grant Robertson (Chair)  
Hon Carmel Sepuloni  
Hon David Parker  
Hon Poto Williams  
Hon Stuart Nash  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Meka Whaitiri  
Hon Phil Twyford  
Dr Deborah Russell MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV