



POLICY AND REGULATORY STEWARDSHIP

Tax policy report: **Regulatory Impact Statement – Dividend integrity and personal services income attribution**

Date:	28 February 2022	Priority:	Medium
Security level:	In Confidence	Report number:	IR2022/075

Action sought

	Action sought	Deadline
Minister of Finance	Note the contents of this report	3 March 2022
Minister of Revenue	Note the contents of this report	3 March 2022

Contact for telephone discussion (if required)

Name	Position	Telephone
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28 February 2022

Minister of Finance
Minister of Revenue

Regulatory Impact Statement – Dividend integrity and personal services income attribution

Purpose

1. This report encloses a Regulatory Impact Statement (RIS) to be considered by the Cabinet Economic Development Committee at its meeting on 9 March 2022, along with the paper *Release of discussion document – Dividend integrity and personal services income attribution*. The final copy of the Cabinet paper, which now includes the Quality Assurance reviewer's comment and an agency comment from the Ministry for Business, Innovation and Employment, is also attached to this report.
2. Only minor editorial changes and Minister Parker's changes have been made to the discussion document since we last reported to you (IR2022/013 refers). The discussion document is currently being formatted and a final copy will be provided to your Office before the lodgement due date on 3 March.

Regulatory Impact Statement

3. The Quality Assurance reviewer from Inland Revenue has reviewed the RIS and considers that the information and analysis summarised in the RIS **partially meets** the quality assurance criteria. This is because the impacts on the affected taxpayers are currently unknown. Consultation on the proposals may help to inform the likely magnitude of the impacts and to refine the design of the proposals to minimise or reduce compliance costs.
4. Following public consultation, officials will provide you with a final RIS with further information on these impacts when final policy decisions are sought.

Recommended action


We recommend that you:

1. **note** the attached RIS and Cabinet paper.

Noted

Noted

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Paul Young

Principal Policy Advisor

Policy and Regulatory Stewardship

Hon Grant Robertson

Minister of Finance

/ /2022

Hon David Parker

Minister of Revenue

/ /2022