



POLICY AND REGULATORY STEWARDSHIP

Tax policy report: **Draft Cabinet Paper – Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021**

Date:	23 March 2021	Priority:	Medium
Security level:	In Confidence	Report number:	IR2021/129

Action sought

	Action sought	Deadline
Minister of Revenue	Agree to recommendations Authorise the lodgement of the attached Cabinet paper	10am Thursday 8 April 2021

Contact for telephone discussion (if required)

Name	Position	Telephone
Chris Gillion	Policy Lead	s 9(2)(a) [REDACTED] [REDACTED]
Haydn Clark	Principal Policy Advisor	s 9(2)(a) [REDACTED] [REDACTED]

23 March 2021

Minister of Revenue

Draft Cabinet Paper – Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021

Purpose

1. This report asks you to approve and lodge the attached draft Cabinet paper with the Cabinet Office by 10am Thursday 8 April 2021 for consideration at the Cabinet Legislation Committee meeting on 15 April 2021.
2. The Cabinet paper seeks the Cabinet Legislation Committee’s agreement to submit the Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021 to the Executive Council.
3. This Order excludes from the definition of accommodation in the employment income rules, accommodation that is provided for the purpose of enabling an employee to isolate due to the risk of the outbreak or spread of COVID-19. Accommodation that is provided for this purpose will, as a result, not be treated as employment income and be exempt from tax.
4. You agreed to the recommendation in our report *Order in Council: Temporary accommodation provided to employees to manage the risk of COVID-19 transmission* dated 23 February 2021 (IR2021/072 refers) that this new exclusion be added to the definition of accommodation.

Next steps

5. Enclosed is a draft Order. The Parliamentary Counsel Office will provide the final Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021 for the Cabinet Legislation Committee meeting on 15 April 2021.
6. We will provide you with speaking notes for the Cabinet Legislation Committee meeting.

Recommended action

We recommend that you:

7. **note** the contents of this report and the attached Cabinet paper;

Noted

8. **sign** and **refer** the Cabinet paper to the Cabinet Office by 10am Thursday 8 April 2021.

Signed and referred/Not signed or referred

Haydn Clark

Principal Policy Advisor

Policy and Regulatory Stewardship

Hon David Parker

Minister of Revenue

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