



# Cabinet Legislation 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.*

### Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill: Approval for introduction

#### Portfolio Revenue

On 18 November 2021, the Cabinet Legislation Committee:

- 1 **noted** that on 5 November 2021, Cabinet agreed to:
  - 1.1 the following changes to take effect from 1 April 2022:
    - 1.1.1 increase the Family Tax Credit rates by \$5 per child per week;
    - 1.1.2 increase the Family Tax Credit and In Work Tax Credit abatement rate to 27 percent;
    - 1.1.3 pass on the \$5 increase to the Family Tax Credit to increase the base rates of the Orphan's Benefit, Unsupported Child's Benefit, and Foster Care Allowance by \$5 per week per child;
  - 1.2 increase the abatement rate, as outlined in paragraph 1.1 via an amendment to the Income Tax Act 2007;
  - 1.3 give effect to the change in CPI measure via an amendment to the Income Tax Act 2007;
  - 1.4 give effect to the new Family Tax Credit and Best Start Tax Credit rates via amendments to the Income Tax Act 2007 rather than by Order in Council as would otherwise be required;
  - 1.5 give effect to the adjustment to the Minimum Family Tax Credit on 1 April 2022 via an amendment to the Income Tax Act 2007 rather than via an Order in Council as previously agreed by Cabinet;

[CAB-21-MIN-0457]

- 2 **noted** that on 8 November 2021, Cabinet:
  - 2.1 agreed to amendments to the Tax Administration Act 1994 and Income Tax Act 2007 to modify the existing Resurgence Support Payment rules into a general COVID-19 support payment framework;

2.2 authorised the Minister of Revenue, in consultation with the Leader of the House, to introduce a Bill under urgency on 23 November 2021 containing the amendments;

[CAB-21-MIN-0459]

3 **noted** that the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill gives effect to the above decisions;

4 **approved** for introduction the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill [IRD 24229/3.0], subject to the final approval of the government caucus and sufficient support in the House of Representatives;

5 **agreed** that the Bill be introduced on 23 November 2021;

6 **agreed** that the government propose that the Bill be:

6.1 passed under urgency;

6.2 enacted by 1 December 2021.

Rebecca Davies  
Committee Secretary

---

**Present:**

Hon David Parker (Chair)  
Hon Poto Williams  
Hon Kris Faafoi  
Keiran McAnulty, MP (Senior Government Whip)

**Officials present from:**

Office of the Prime Minister  
Officials Committee for LEG