



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.

Tax Administration (Extension of Notification Deadline for Research and Development Tax Credits) Order 2022

Portfolio **Revenue**

On 25 August 2022, the Cabinet Legislation Committee:

- 1 **noted** that the Research and Development Tax Incentive (RDTI) currently requires businesses to notify Inland Revenue that there have been no material changes for their business for the relevant income year if they have general approval for multiple income years;
- 2 **noted** that the normal deadline for making the notification referred to in paragraph 1 is the seventh day of the second month after the end of the income year;
- 3 **noted** that the Tax Administration Act 1994 includes a broad power to extend the time by Order in Council for doing something under the Act;
- 4 **noted** that the Tax Administration (Extension of Notification Deadline for Research and Development Tax Credits) Order 2022 (the Order) extends the deadline in paragraph 2 until 30 April 2022 for the 2021–22 income year;
- 5 **agreed** that the Order give effect to this extension of the deadline for making the requisite notification under the RDTI;
- 6 **noted** that a waiver of the 28-day rule is sought:
 - 6.1 so that the Tax Administration (Extension of Notification Deadline for Research and Development Tax Credits) Order 2022 can come into force on 1 September 2022;
 - 6.2 on the grounds that not waiving the rule will:
 - 6.2.1 cause frustration for RDTI businesses that want to comply with the law but are unable to for a further 28 days, resulting in a delay of receipt of R&D tax credits; and
 - 6.2.2 increase the RDTI processing backlog for Inland Revenue due to not being able to process notifications for a further 28 days;
- 7 **agreed** to waive the 28-day rule so that the Order can come into force on 1 September 2022;

8 **authorised** submission to the Executive Council of the Tax Administration (Extension of Notification Deadline for Research and Development Tax Credits) Order 2022 [PCO 24886/4.0].

Rebecca Davies
Committee Secretary

Present:

Hon Andrew Little
Hon David Parker
Hon Stuart Nash
Hon Michael Wood (Chair)
Dr Duncan Webb, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG