



## POLICY AND REGULATORY STEWARDSHIP

**Tax policy report:** **Cabinet paper: Extension of end date for tax relief for donations of trading stock made by businesses in response to Covid-19**

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<b>Date:</b>	20 January 2023	<b>Priority:</b>	Medium
<b>Security level:</b>	In Confidence	<b>Report number:</b>	IR2023/015

### Action sought

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	<b>Action sought</b>	<b>Deadline</b>
Minister of Revenue	<p><b>Approve</b> and <b>lodge</b> the attached paper to Cabinet office</p> <p><b>Refer</b> a copy of this report and the attached Cabinet paper to the Minister of Finance</p>	9 February 2023 (10am)

### Contact for telephone discussion (if required)

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<b>Name</b>	<b>Position</b>	<b>Telephone</b>
Stewart Donaldson	Principal Policy Advisor	s 9(2)(a)
Brandon Sloan	Principal Policy Advisor	

20 January 2023

Minister of Revenue

## **Cabinet paper: Extension of end date for tax relief for donations of trading stock made by businesses in response to Covid-19**

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### **Purpose**

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1. This report recommends you approve and lodge the attached paper seeking Cabinet Legislation Committee's approval to:
  - 1.1 extend the end date of a tax relief measure for donations of trading stock (IR2022/554 refers).
  - 1.2 authorise the submission to the Executive Council of the Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2023 (IR2022/554 refers).
2. For the paper to be considered at Cabinet Legislation Committee's meeting on 16 February 2023 it needs to be lodged by 9 February 2023 (10am).

### **Order in Council: Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2023**

3. On 14 December 2022 we reported to the Minister of Finance and the Minister of Revenue recommending an extension of tax relief for donations of trading stock made by businesses in response to COVID-19 which currently ends on 31 March 2023 (IR2022/554 refers).
4. The Minister of Revenue and the Minister of Finance directed officials to prepare a paper for Cabinet seeking approval to extend the tax relief for donations of trading stock until 31 March 2024.
5. The Minister of Revenue and the Minister of Finance also directed officials to instruct the Parliamentary Counsel Office to draft an Order in Council to implement the extension. The attached Paper also seeks Cabinet approval to authorise the submission to the Executive Council of the Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2023.

### **Proactive release considerations**

6. Officials recommend that the attached Cabinet paper should be proactively released without redaction after the Order is gazetted.

### **Consultation**

7. The Treasury have been informed of this report and consulted on the attached Cabinet paper and agree with its contents.

## Next steps

8. If you agree to the recommendations in this report, we recommend you approve and lodge the attached paper with Cabinet Office on 9 February 2023 (10am), for consideration by Cabinet Legislation Committee on 16 February 2023.
9. A copy of this report and the attached Cabinet paper should be referred to the Minister of Finance for his information.

## Recommended action

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We recommend that you:

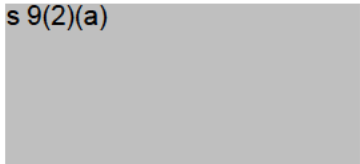
1. **Approve** and **lodge** the attached paper to Cabinet Legislation Committee for its meeting on 16 February 2023.

Approved and lodged

2. **Refer** a copy of this report to the Minister of Finance for his information.

Referred

s 9(2)(a)



**Stewart Donaldson**

Principal Policy Advisor

Policy and Regulatory Stewardship

**Hon David Parker**

Minister of Revenue

/ /2023