



Cabinet

Minute of Decision

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Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2023

Portfolio **Revenue**

On 20 February 2023, Cabinet:

- 1 **noted** that the Taxation (Annual Rates for 2020-21, Feasibility Expenditure, and Remedial Matters) Act 2021 introduced temporary relief from a deemed income rule that is due to expire on 31 March 2023;
- 2 **noted** that the Tax Administration Act 1994 allows the temporary relief from the deemed income rule to be extended by Order in Council;
- 3 **authorised** the submission to the Executive Council of the Tax Administration (Extension of Period of Relief for Certain Disposals of Trading Stock) Order 2023 [PCO 25271/4.0] (the Order);
- 4 **noted** that section 225ABA of the Tax Administration Act 1994 requires that the Minister of Revenue be satisfied that people in New Zealand are likely to continue, beyond the expiry of the existing period, to be significantly adversely affected by COVID-19;
- 5 **noted** the advice of the Minister of Revenue that this requirement has been met;
- 6 **agreed** that the Order should come into force on 1 April 2023 and extend the period of relief until 31 March 2024;
- 7 **noted** that agreeing to recommendations 3 and 6 has the following estimated fiscal costs, which will be charged against the Tax Policy Scorecard:

Vote Revenue	\$m – increase/(decrease)				
	2022–23	2023–24	2024–25	2025–26	2026–27 & outyears
Crown Revenue and Receipts:					
Tax Revenue	(0.000)	(0.000)	(1.000)	(1.500)	(0.000)
Total change in Revenue	0.000	0.000	1.000	1.500	0.000

Rachel Hayward
Secretary of the Cabinet