



Cabinet Legislation Committee

Minute of Decision

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Taxation (Use of Money Interest Rates) Amendment Regulations 2023

Portfolio Revenue

On 9 March 2023, the Cabinet Legislation Committee:

- 1 **agreed** that the use of money interest underpayment rate increase from 9.21% to 10.39%;
- 2 **agreed** that the use of money interest overpayment rate increase from 2.31% to 3.53%;
- 3 **noted** that the Taxation (Use of Money Interest Rates) Amendment Regulations 2023 (the Regulations) give effect to the rates referred to in paragraphs 1 and 2 above;
- 4 **noted** the following changes as a result of the decision in paragraphs 1 and 2 above, with a corresponding impact on the operating balance:

\$ millions increase / (decrease)					
Vote Revenue Minister of Revenue	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Crown Revenue and Receipts:					
Tax revenue	6.000	38.000	38.000	38.000	38.000
Total Operating	(6.000)	(38.000)	(38.000)	(38.000)	(38.000)

- 5 **approved** the forecast change in appropriations for Non-Departmental Other Expenses set out in paragraph 5, as a result of the decision in paragraphs 1 and 2, with a corresponding impact on the operating balance:

\$ millions increase / (decrease)					
Vote Revenue Minister of Revenue	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
Non-Departmental Other Expenses: Impairment of debt and bad debt write-offs	5.000	35.000	35.000	35.000	35.000
Total Operating	5.000	35.000	35.000	35.000	35.000

- 6 **agreed** that the proposed change to the Impairment of Debt and Debt Write-offs appropriation for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 7 **authorised** the submission to the Executive Council of the Taxation (Use of Money Interest Rates) Amendment Regulations 2023 [PCO 25277/3.0];
- 8 **noted** that the Regulations come into force on 9 May 2023.

Rebecca Davies
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Andrew Little
Hon David Parker
Hon Kieran McAnulty
Hon Dr Duncan Webb
Hon Willow-Jean Prime
Tangi Utikere, MP

Officials present from:

Office of the Prime Minister
Officials Committee for LEG