

Hon Simon Watts, Minister of Revenue

Information Release

Tax Administration (FamilyBoost Tax Credit – Extension of Dates to File Return of Income) Order 2025

March 2025

Availability

This information release is available on Inland Revenue's tax policy website at <https://www.taxpolicy.ird.govt.nz/publications/2024/ir-leg-25-sub-0010>

Documents in this information release

#	Reference	Type	Title	Date
1	IR2024/492	Tax Policy Report	Tax Policy report: Draft Cabinet paper: Tax Administration (FamilyBoost Tax Credit - Extension of Dates to File Return of Income) Order 2025	28 January 2025
2	LEG-25-SUB-0010	Cabinet Paper	Tax Administration (FamilyBoost Tax Credit – Extension of Dates to File Return of Income) Order 2025	20 February 2025
3	LEG-25-MIN-0010	Minute	Tax Administration (FamilyBoost Tax Credit – Extension of Dates to File Return of Income) Order 2025	20 February 2025
4	CAB-25-MIN-0040	Minute	Report of the Cabinet Legislation Committee: Period ended 21 February 2025	24 February 2025

Additional information

The Cabinet paper was considered by the Cabinet Legislation Committee on 20 February 2025 and confirmed by Cabinet on 24 February 2025.

One attachment to the Cabinet paper is not included in this information release as it is publicly available:

- Tax Administration (FamilyBoost Tax Credit- Extension of Dates to File a Return of Income) Order 2025

Information withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply are identified. Where information is withheld, no public interest was identified that would outweigh the reasons for withholding it.

Sections of the Act under which information was withheld:

9(2)(a) to protect the privacy of natural persons, including deceased people

Accessibility

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POLICY

Tax policy report: **Draft Cabinet paper: Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025**

Date:	28 January 2025	Priority:	High
Security level:	In Confidence	Report number:	IR2024/492

Action sought

	Action sought	Deadline
Minister of Revenue	<p>Agree to attached draft Cabinet LEG paper for consultation and lodgement</p> <p>Refer to the Minister of Finance</p>	05 February 2025

Contact for telephone discussion (if required)

Name	Position	Telephone
Murray Shadbolt	Principal Policy Advisor	s 9(2)(a)
Libby Young	Policy Advisor	

28 January 2025

Minister of Revenue

Draft Cabinet paper: Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025

Purpose and background

1. On 22 August 2024, you agreed to allow a person (or partner) who has filed their relevant tax return late to apply for FamilyBoost, once they have filed. A permanent remedial fix has been prepared for the Taxation (Annual Rates for 2024-25, Emergency Response, and Remedial Measures) Bill, with retrospective effect on and from 1 July 2024. It will be considered by the Finance and Expenditure Committee this week.
2. You also agreed in the meantime to instruct the Parliamentary Counsel Office (PCO) to draft an Order in Council that provided a temporary solution under section 226 of the Tax Administration Act 1994 (the Act) [*IR2024/259 refers*]. The Order would treat applicants' tax returns for the past two years as not having been filed late by extending the due date for FamilyBoost purposes, thereby allowing them to receive the FamilyBoost tax credit as intended. The extension has no impact on their due dates for income tax purposes.
3. Two Orders in Council are required using section 226 of the Tax Administration Act 1994, covering periods up to the date of each Order. The first Order came into force on the 27 November 2024, covering late filers up until that date. This paper describes the second Order; covering late filers up to 26 February 2025.. People who file late after 26 February will need to wait until the Bill enacts a permanent fix, expected at the end of March 2025.
4. This report seeks your agreement to the enclosed draft Cabinet paper on the second Order in Council for consultation and approval at the Cabinet Legislation Committee. It is effectively a repeat of the earlier LEG paper covering the first Order in Council.

Regulations Review Committee

5. There are no anticipated grounds for the Regulations Review Committee to draw the Order in Council to the attention of the House.

Consultation

6. The Treasury had been informed of the original report seeking agreement to the drafting of the Order.

Timing

7. The expected timeline for the Order in Council and supporting Cabinet LEG paper is as follows:

Key activity	Proposed date
Ministerial consultation	05.02.2025-12.02.2025
LEG paper submitted	13.02.2025
LEG meeting	20.02.2025
Cabinet confirmation	24.02.2025
Gazetted	25.02.2025
Commencement with 28-day waiver	26.02.2025

8. Officials advise that the 28-day waiver can apply in these circumstances as allowing FamilyBoost applicants who have filed past tax returns late to still have access to FamilyBoost payment is of benefit to applicants. The Order does not require any action by taxpayers to comply with the Order.

Regulations Review Committee

9. There are no anticipated grounds for the Regulations Review Committee to draw the Order in Council to the attention of the House.

Consultation

10. The Treasury had been informed of the original report seeking drafting of the Order.

Next steps

11. Following ministerial consultation on the draft Cabinet paper it will be authorised for lodgement on 13 February. Speaking notes will be provided before the LEG meeting.

Recommended action

We recommend that you:

1. **agree** to the contents of this draft Cabinet paper for ministerial consultation and lodgement

Agreed/Not agreed

2. **refer** a copy of this report to the Minister of Finance for their information.

Referred/Not referred

s 9(2)(a)

Murray Shadbolt

Principal Policy Advisor

Policy

Hon Simon Watts
Minister of Revenue
/ /2025

In Confidence

Office of the Minister for Revenue

Chair, Cabinet Legislation Committee

Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025

Proposal

- 1 This paper seeks Cabinet authorisation for the submission to the Executive Council of the attached Order in Council. The Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025 will modify the FamilyBoost legislation, allowing FamilyBoost applicants who were late filing tax returns in previous tax years to access the FamilyBoost payment, once they have filed the tax return required for the quarter they are applying for.

Policy

- 2 The FamilyBoost tax credit legislation was passed under urgency as part of the wider Budget 2024 tax changes. The payment will support low-to-middle income families via quarterly payments linked to a portion of their early childhood education costs. The first payment could be claimed by parents and caregivers from 1 October 2024, for the period 1 July – 30 September 2024 [CAB-24-MIN-0089]. The second payment can now be claimed for the period 1 October – 31 December 2024.
- 3 The maximum amount that can be claimed is reduced once quarterly household income exceeds \$35,000 (equivalent to \$140,000 a year). This requires Inland Revenue to determine a household's income from their tax returns and end of tax year assessments, and for people to file those returns where required. As such, FamilyBoost would not be available if a person or their partner refused to file a tax return. Currently, the FamilyBoost legislation overreaches, requiring applicants to not only have filed their most recent tax return, but to have filed it on time. Consequently, those who filed their tax return late for one or both of the last two years are unable to apply for a FamilyBoost tax credit despite providing the information Inland Revenue needs to calculate their payment. The same situation applies to the person's partner. This is not the intended outcome. Inland Revenue estimate that approximately 980 families may be impacted by this issue per year.
- 4 The intended outcome is to allow those who have filed their tax return - required for the quarter they are applying for - to access FamilyBoost. This is regardless of whether this tax return was supplied on time or late. The key requirement is to have the family's income information to determine if they can claim the maximum or a lesser amount. To align the FamilyBoost legislation with this intent, a remedial amendment will be made in the Taxation (Annual Rates for 2024-25, Emergency Response, and Remedial Measures) Bill 2024, to be enacted later this year. FamilyBoost applications would then only be disallowed where a required return of tax remains outstanding.

- 5 To allow parents who have filed late in the last two years access to FamilyBoost in the interim, two Orders in Council are required using section 226 of the Tax Administration Act 1994. This paper describes the second Order; the first Order came into force on 27 November 2024 [LEG-24-MIN-0240].
- 6 These Orders provides a future date for people to have filed the tax return by, for the purpose of applying for FamilyBoost, meaning they are no longer late filers. The first Order covers people who filed late up to 27 November 2024. This second Order covers people who filed late up to 26 February 2025. If this Order is not agreed to, parents who had previously filed late for the last two tax years, where they filed after 27 November 2024, would not legally be able to claim their FamilyBoost payment until retrospective legislation is enacted at the end of March 2025 to authorise it.

Timing and 28-day rule

- 7 The amendment should come into force as soon as practicable to allow FamilyBoost applicants who have filed income returns late to receive their tax credit payments as intended. The Order requires no new action to be taken by taxpayers.
- 8 It may disadvantage FamilyBoost applicants to wait an extra 28 days before modifying the FamilyBoost legislation in line with its intended outcome. Therefore, I recommend that the 28-day rule be waived to allow the coming into force of this order by the commencement date of 26 February 2025.

Compliance

- 9 The order complies with the following:
- 9.1 the principles of the Treaty of Waitangi;
 - 9.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 9.3 the principles and guidelines set out in the Privacy Act 2020;
 - 9.4 relevant international standards and obligations;
 - 9.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

- 10 There are no anticipated grounds for the Regulations Review Committee to draw the Order in Council to the attention of the House.

Certification by Parliamentary Counsel

- 11 The Parliamentary Counsel Office has certified that the attached Order in Council is in order for submission to Cabinet. The Parliamentary Counsel Office has noted in a qualified certificate that a waiver of the 28-day rule needs to be granted.

Impact Analysis

- 12 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor impacts on businesses, individuals and not-for-profit entities.
- 13 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Publicity

- 14 No steps will be taken to publicise the effect of this Order in Council specifically beyond the gazette notice. Inland Revenue provide general FamilyBoost public communications at the start of each quarter concerning the registration and claims process.

Next steps

- 15 A primary legislative fix will be established with the commencement of the Taxation (Annual Rates for 2024-25, Emergency Response, and Remedial Measures) Bill, with effect from 1 July 2024 . This Bill is expected to be enacted by the end of March 2025.

Proactive release

- 16 I propose to proactively release this Cabinet paper and associated minutes within 30 working days of Cabinet making final decisions, subject to the provisions of the Official Information Act 1982.

Consultation

- 17 The Treasury has been informed of the issues this paper addresses.

IN CONFIDENCE

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on 20 March 2024, the Cabinet Economic Policy Committee agreed to make FamilyBoost tax credit payments from 1 October 2024 [ECO-24-MIN-0033];
- 2 **note** that Cabinet agreed to a first Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2024 which commenced on 27 November 2024 [LEG-24-MIN-0240];
- 3 **note** that the second Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025 (the regulations) will allow parents who have filed late for previous tax years, up until 26 February 2025, to be able to apply for FamilyBoost and give effect to the decision referred to in paragraph 1 above;
- 4 **note** that a waiver of the 28-day rule is sought:
 - 4.1 so that the regulations can come into force as soon as possible;
 - 4.2 on the grounds that this change will allow individuals to receive their FamilyBoost payment as intended and there is no reason to delay payments;
- 5 **agree** to waive the 28-day rule so that the regulations can come into force on 26 February 2025;
- 6 **authorise** the submission to the Executive Council of the Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025;

Authorised for lodgement

Hon Simon Watts

Minister for Revenue



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 (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025

Portfolio **Revenue**

On 20 February 2025, the Cabinet Legislation Committee:

- 1 **noted** that, in March 2024, the Cabinet Economic Policy Committee agreed to make FamilyBoost tax credit payments from 1 October 2024 [ECO-24-MIN-0033];
- 2 **noted** that, in November 2024, the Cabinet Legislation Committee agreed to a first Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2024, which commenced on 27 November 2024 [LEG-24-MIN-0240];
- 3 **noted** that the Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025 (the Order) will allow parents who have filed late for previous tax years, up until 26 February 2025, to be able to apply for FamilyBoost and give effect to the decision referred to in paragraph 1 above;
- 4 **noted** that a waiver of the 28-day rule is sought:
 - 4.1 so that the Order can come into force as soon as possible;
 - 4.2 on the grounds that this change will allow individuals to receive their FamilyBoost payment as intended, and there is no reason to delay payments;
- 5 **agreed** to waive the 28-day rule so that the Order can come into force on 26 February 2025;
- 6 **authorised** the submission to the Executive Council of the Tax Administration (FamilyBoost Tax Credit—Extension of Dates to File Return of Income) Order 2025 [PCO 26829/3.0].

Tom Kelly
Committee Secretary

Attendance: (See over)

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Chris Bishop (Chair)
Hon Louise Upston
Hon Shane Jones
Hon Brooke van Velden
Hon Judith Collins KC
Hon Tama Potaka
Hon Nicole McKee
Hon Casey Costello
Hon Chris Penk
Hon Andrew Bayly
Hon Scott Simpson, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG
Leader of the House's Office
Attorney-General's Office



Cabinet

Minute of Decision

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Report of the Cabinet Legislation Committee: Period Ended 21 February 2025

On 24 February 2025, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 21 February 2025:

Not in scope	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
LEG-25-MIN-0010	Tax Administration (FamilyBoost Tax Credit— Extension of Dates to File Return of Income) Order 2025 Portfolio: Revenue	CONFIRMED
Not in scope	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Not in scope [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Rachel Hayward
Secretary of the Cabinet