



House of Representatives
Supplementary Order Paper

Tuesday, 3 October 2000

Taxation (Annual Rates, GST and Miscellaneous Provisions) Bill

Proposed amendments

Hon Dr Michael Cullen, in Committee, to move the following amendments:

New clause 20AA

To insert (after line 11, page 17) the following:

20AA New section HF 2 inserted

(1) After section HF 1, the following is inserted:

“HF 2 Application of section HF 1 to New Zealand Dairy Board

“(1) **Subsection (2)** applies in respect of distributions made by the New Zealand Dairy Board, established under the Dairy Board Act 1961, in relation to the income years from 1995-96 to 2003-04 (both income years inclusive).

“(2) For the purpose of section HF 1(9), in paragraph (a) of the definition of **rebate**, ‘a distribution of profits of the association’ is to be read as ‘a distribution from the association’.

“(3) **Subsections (4) and (5)** apply in respect of distributions made by the New Zealand Dairy Board, established under the Dairy Board Act 1961, in relation to the 2004-05 and subsequent income years.

“(4) For the purpose of section HF 1(2)(b), items ‘a’ and ‘b’ of the formula are replaced by:

“a is the gross income:

“b is the total of the allowable deductions to which the association is entitled other than under this subsection.”.

“(5) For the purpose of section HF 1(3), paragraph (a) is replaced by:

“(a) an amount allowed as a deduction under subsection (2) is the amount calculated under **subsection (2)(b)**, and subsections (2)(a), (4) and the proviso to subsection (5) do not apply in relation to the deduction; and”.

- (2) **Subsection (1)** applies on and after the date this Act receives the Royal assent.

Clause 48B

To omit clause 48B (lines 8 to 18, page 35).

Clause 84

To omit (from line 21, page 79) “ND 2, ND 3 or ND 4” and substitute “ND 9, ND 10, ND 11, ND 13 or ND 14”.

New clause 108A

To insert (after line 17, page 91) the following:

108A New section 199A inserted

- (1) After section 199, the following is inserted:

“199A Application of section 199 to New Zealand Dairy Board

“(1) This section applies in respect of distributions made by the New Zealand Dairy Board, established under the Dairy Board Act 1961, in relation to the income years from 1988-89 to 1994-95 (both income years inclusive).

“(2) For the purpose of section 199(1), in paragraph (a) of the definition of **rebate**, ‘a distribution of profits of the association’ is to be read as ‘a distribution from the association’.”

- (2) **Subsection (1)** applies on and after the date this Act receives the Royal assent.

Clause 115

To omit subclause (1)(a) (line 29, page 94) and substitute:

- (a) “a body (as defined in section 57(1))” is replaced by “an unincorporated body”:

To insert (after line 30, page 94) the following:

- (c) “the body’s” is replaced by “the unincorporated body’s” in both places where it occurs.

Explanatory note

This Supplementary Order Paper amends the Taxation (Annual Rates, GST and Miscellaneous Provisions) Bill.

New clause 20AA is inserted to provide that the deduction of rebates paid by the New Zealand Dairy Board in relation to the 2004-05 and subsequent income years is limited to the Board’s taxable profits before rebates are paid.

Clause 48B is removed.

Clause 84 is amended to update section references in the Income Tax Act 1994 upon the enactment of the new FBT rules in the Taxation (FBT, SSCWT and Remedial Matters) Act 2000.

New clauses 20AA and 108A amend the Income Tax Act 1994 and the Income Tax Act 1976 respectively to allow the New Zealand Dairy Board to deduct all rebates paid in relation to the income years from 1998-99 to 2003-04, as a result of the Dairy Industry Restructuring Act 1999 not coming into force.

Clause 115 is amended to reflect the changes made to section 42(2)(c) of the Goods and Services Tax Act 1985 in Part 3.
