

House of Representatives

# Supplementary Order Paper

Tuesday, 7 March 2017

Taxation (Annual Rates for 2016-17, Closely Held Companies, and Remedial Matters) Bill

*Proposed amendments*

Hon Judith Collins, in Committee, to move the following amendments:

*Clause 2*

*Clause 2(6)*: replace “**22(1)**” (page 19, line 17) with “**22(1B)**”.

*Clause 2(6)*: replace “**(114), and (116), 265**” (page 19, lines 20–21) with “**and (116)**”.

*Clause 2(14)*: replace “**56**” (page 19, line 35) with “**54B, 56**”.

*Clause 2(26)*: replace “**278B, and 291**” (page 20, line 17) with “**and 278B**”.

*Clause 2(27)*: replace “**324(1A)**” (page 20, line 23) with “**324**”.

*Clause 2(28)*: replace “**90**” (page 20, line 27) with “**90, 91B, 92B**”.

*Clause 2(28B)*: replace “**and 57B**” (page 21, line 7) with “**57B, and 302B**”.

*Clause 2(29)*: replace “**Section 318** comes” (page 21, line 8) with “**Sections 262(55B) and 318** come”.

*Clause 5(1)(d)*

Replace “**(4), (5)**” (page 21, line 31) with “**(4)**”.

*Clause 22*

Delete *clause 22(1)* (page 30, lines 14–18).

In *clause 22(1B)*, replace *new section CD 43(6B)* (page 30, lines 20–33) with:

**Proposed amendments to  
Taxation (Annual Rates for 2016-17, Closely Held  
Companies, and Remedial Matters) Bill**

SOP No 261

*When subsection (6D) applies*

- (6B) **Subsection (6D)** applies for a company (the **calculation company**) for which the calculation in subsection (1) is being performed if—
- (a) **section EW 46C(1)(a) or (b)** (Consideration when debt forgiven within economic group) apply to a creditor and debtor that are in the same wholly-owned group of companies as the calculation company; and
  - (b) the creditor is a non-resident company; and
  - (c) **section EW 46C(3)** does not apply; and
  - (d) the calculation company is the debtor, or the calculation company holds, before section YC 4 (Look-through rule for corporate shareholders) is applied to the calculation company, voting interests or, if a market value exists for a company that is part of the wholly-owned group of companies, market value interests, in the debtor.

In *clause 22(1B)*, new *section CD 43(6D)*, replace “The subscriptions amount is treated as including the amount of debt to which **section EW 46C(3)** applies for the creditor and relevant debtor” (page 31, lines 6 and 7) with “For the calculation company, the subscriptions amount is treated as including the amount of debt to which **section EW 46C(5)** applies for the creditor”.

In *clause 22(8B)*, after ““market value interest”,” (page 31, line 35), insert ““non-resident company”,”.

In *clause 22(9)*, replace “**(1)**” (page 31, lines 36 and 39) with “**(1B)**” in both places in which it appears.

*New clause 54B*

After *clause 54* (page 52, after line 33) insert:

**54B Section EW 8 amended (Election to treat certain excepted financial arrangements as financial arrangements)**

- (1) Replace section EW 8(1), other than the heading, with:
  - (1) A person may choose to treat as financial arrangements—
    - (a) all the excepted financial arrangements to which the person is a party that are described in any of section EW 5(21) to (25), if the expenditure under the agreements satisfies the general permission and is not denied by the general limitation as a deduction for the person:
    - (b) any excepted financial arrangement to which the person is a party that is described in section EW 5(10).

- (2) **Subsection (1)** applies for income years beginning on or after 1 April 2011.

*Clause 57*

In *clause 57(1)*, new section *EW 46C(1)(b)*, replace “New Zealand resident companies” (page 55, lines 27 and 28) with “New Zealand resident companies (the **NZ group**)”.

In *clause 57(1)*, new section *EW 46C(1)(b)*, replace “the group” (page 55, line 29) with “the NZ group”.

In *clause 57(1)*, new section *EW 46C(2)(b)*, replace “the group” (page 56, line 8) with “the single creditor group”.

In *clause 57(1)*, after new section *EW 46C(2)(b)* (page 56, after line 21), insert:

- (c) a group of persons (the **single corporate creditor group**) that are creditors or that have interests in the debtor are treated as 1 creditor holding the total debts and interests of the single corporate creditor group, if—
  - (i) each person is a member of the same wholly-owned group of companies; and
  - (ii) the debtor is not a member of the wholly-owned group of companies.

*Clause 59*

In the heading, replace “**within economic group**” (page 57, line 35) with “**for associated persons**”.

In *clause 59(1)*, heading to new section *EW 49B*, replace “**within economic group**” (page 58, line 1) with “**for associated persons**”.

In *clause 59(1)*, replace new section *EW 49B(2)* and (3) (page 58, lines 6 to 27) with:

*Repayment*

- (2) For the debtor, the amount of the guarantee payment is treated as consideration paid or payable by the debtor for the debt.

*New debt*

- (3) If the guarantor has recourse to the debtor in relation to the guarantee payment, the guarantor is treated as providing the debtor with an interest-free loan for the amount of the guarantee payment.

*No consideration paid*

- (3B) For the guarantor, the guarantee payment is treated as not being consideration paid or payable by the guarantor.

In *clause 59(1)*, new section *EW 49B(4)*, replace “economic debt” (page 59, line 21) with “guarantee payment”.

In *clause 59(1)*, new section *EW 49B*, list of defined terms, replace “amount” (page 59, line 27) with “amount, associated person”.

*New clauses 72B and 72C*

After *clause 72* (page 69, after line 1), insert:

**72B New section EZ 23BC inserted (Property acquired after depreciable property affected by Hurunui/Kaikōura earthquakes)**

(1) After section EZ 23BB, insert:

**EZ 23BC Property acquired after depreciable property affected by Hurunui/Kaikōura earthquakes**

*When this section applies*

- (1) This section applies for a person and an income year (the **current year**) before the 2019–20 income year when the person,—
- (a) in or before the current year, receives insurance or compensation (the **earthquake compensation**) for items of depreciable property (the **affected property**), each of which is—
    - (i) not depreciable intangible property; and
    - (ii) included in 1 of the categories (an **affected class**) of the person’s depreciable property referred to in **subsection (11)(b)**; and
  - (b) is entitled to the earthquake compensation because each item of the affected property, as a result of a Hurunui/Kaikōura earthquake as that term is defined in section 4 of the Hurunui/Kaikōura Earthquakes Recovery Act 2016, is affected by—
    - (i) damage meeting the requirements of section EE 47(4) (Events for purposes of section EE 44); or
    - (ii) a disposal and reacquisition under **section EZ 78**; and
  - (c) would have, in the absence of this section, from the earthquake compensation for the affected property in the affected class, depreciation recovery income under section EE 48 (Effect of disposal or event) in or before the current year; and
  - (d) has a total amount of depreciation loss under section EE 48 for the affected property in the affected class that, treated as a positive amount, is less than the total amount of depreciation recovery income referred to in **paragraph (c)** by an amount (the **excess recovery**); and

- (e) plans in the current year to acquire depreciable property (the **replacement property**) meeting the requirements of **subsection (8)**; and
- (f) notifies the Commissioner under **subsection (10)**—
  - (i) specifying the affected property and affected class; and
  - (ii) linking, for the purposes of this section, each item of acquired replacement property with an affected class.

*Suspended recovery income*

- (2) For an affected class, the amount that may be depreciation recovery income of the person in or after the current year (the **suspended recovery income**) is the excess recovery that remains at the beginning of the current year after—
  - (a) adjustment under **subsections (4) and (7)** for an earlier income year; and
  - (b) attribution to an earlier income year by **subsection (9)**.

*Depreciation recovery income*

- (3) The person has an amount of depreciation recovery income for the current year equal to the amount of suspended recovery income that is attributed to the current year by **subsection (9)**.

*Effect of acquiring item of replacement property if suspended recovery income from affected property not in pool*

- (4) If the person acquires an item of replacement property (the **replacement item**) and links the replacement item with an affected class of affected property for which the person does not use the pool method, the amount given by **subsection (5)**—
  - (a) is treated as not being included in the amount of the person's expenditure on the replacement item, for the purposes of determining—
    - (i) under section EE 16(4) (Amount resulting from standard calculation) the item value or cost for the replacement item, if the person uses the diminishing value method or straight-line method for the replacement item; or
    - (ii) under section EE 22 (Cases affecting pool) the cost of the replacement item, if the person uses the pool method for the replacement item; and
  - (b) is a reduction in the amount of the suspended recovery income for the affected class.

**Proposed amendments to  
Taxation (Annual Rates for 2016-17, Closely Held  
Companies, and Remedial Matters) Bill**

SOP No 261

*Amount of reduction: expenditure on replacement item and suspended recovery income*

- (5) The amount of the reduction under **subsection (4)(a) or (b)** for a replacement item and an affected class of affected property for which the person does not use the pool method is—
- (a) zero, if the cost of the affected class equals or is less than the person's total expenditure in acquiring, before the replacement item, other replacement property linked with the affected class; or
- (b) the amount calculated using the formula—
- $$\text{limited replacement cost} \times \text{excess} \div \text{affected cost.}$$

*Definition of items in formula*

- (6) In the formula,—
- (a) **limited replacement cost** is the lesser of—
- (i) the amount by which the cost of the affected class exceeds the total expenditure in acquiring, before the replacement item, other replacement property linked with the affected class:
- (ii) the amount of the expenditure on the replacement item:
- (b) **excess** is the excess recovery for the affected class:
- (c) **affected cost** is the total cost for the person of the affected class.

*Effect of acquiring item of replacement property if suspended recovery income from affected property in pool*

- (7) If the person acquires an item of replacement property (the **replacement item**) and links the replacement item with an affected class of affected property for which the person uses the pool method,—
- (a) the amount of the person's expenditure on the replacement item is treated as being reduced, by the amount equal to the lesser of the amount of expenditure on the replacement item and the amount of suspended recovery income for the affected property after the acquisition of other replacement property before the replacement item, for the purposes of determining—
- (i) the adjusted tax value of the replacement item, if **subparagraphs (ii) or (iii)** do not apply; or
- (ii) the cost of the replacement item for the straight-line method, if that method is used to determine depreciation loss for the replacement item; or

- (iii) the adjusted tax value of the pool of the replacement item, if the person uses the pool method for the replacement item; and
  - (b) the amount of the suspended recovery income for the affected class is reduced by the amount of the treated reduction under **paragraph (a)**.
- Requirements for replacement property*
- (8) An item of replacement property for a person must—
- (a) be included in the same category under **subsection (11)(b)** as the affected class with which the person links the item, if the affected class is described in **subsection (11)(b)(i), (ii), (vii), or (viii)**; and
  - (b) if the item is a building, grandparented structure, or commercial fit-out, be located in an earthquake-affected area, as that term is defined in section 4 of the Hurunui/Kaikōura Earthquakes Recovery Act 2016, relating to—
    - (i) the Canterbury Regional Council (Environment Canterbury), the Hurunui District Council, the Kaikoura District Council, or the Marlborough District Council, if the affected property is located in an earthquake-affected area relating to 1 of those councils; or
    - (ii) the Wellington City Council, the Hutt City Council, or the Wellington Regional Council (Greater Wellington), if the affected property is located in an earthquake-affected area relating to 1 of those councils.
- Attribution of suspended recovery income to income year: other events*
- (9) The person has, in the current year, an amount of depreciation recovery income for an affected class equal to the amount of suspended recovery income for the affected class—
- (a) at the end of the current year, if that year is the 2021–22 income year and neither of **paragraphs (b) and (c)** apply earlier; or
  - (b) when in the current year the person decides not to acquire more replacement property, if neither of **paragraphs (a) and (c)** apply earlier; or
  - (c) when in the current year the person goes into liquidation or becomes bankrupt, if neither of **paragraphs (a) and (b)** apply earlier.

**Proposed amendments to  
Taxation (Annual Rates for 2016-17, Closely Held  
Companies, and Remedial Matters) Bill**

SOP No 261

*Notice of election for affected property*

- (10) A person choosing to rely on this section to suspend in a current year the recognition of suspended recovery income from the insurance or compensation for affected property must notify the Commissioner—
- (a) for the earliest income year (the **estimate year**) in which the amount of the insurance or compensation for the affected property can be reasonably estimated, by the later of 31 January 2018 and the date on which the return of income is filed for the estimate year; and
  - (b) if the current year is after the estimate year,—
    - (i) for each income year between the estimate year and the current year, by the date on which the return of income is filed for that income year; and
    - (ii) for the current year, by the date on which the return of income is filed for the current year.

*Contents of notice of election*

- (11) A notice under **subsection (10)** must—
- (a) describe the items of affected property; and
  - (b) indicate in which of the following categories each item of affected property is included:
    - (i) a building or grandparented structure not referred to in **subparagraphs (iii) and (iv)**;
    - (ii) commercial fit-out not referred to in **subparagraphs (v) and (vi)**;
    - (iii) buildings or grandparented structures for which the person uses the pool method and that are located in an earthquake-affected area, as that term is defined in section 4 of the Hurunui/Kaikōura Earthquakes Recovery Act 2016, (the **earthquake-affected area**) relating to the Canterbury Regional Council (Environment Canterbury), the Hurunui District Council, the Kaikoura District Council, or the Marlborough District Council;
    - (iv) buildings or grandparented structures for which the person uses the pool method and that are located in an earthquake-affected area relating to the Wellington City Council, the Hutt City Council, or the Wellington Regional Council (Greater Wellington);
    - (v) commercial fit-outs for which the person uses the pool method and that are located in an earthquake-affected area relating to the Canterbury Regional Council (En-

vironment Canterbury), the Hurunui District Council, the Kaikoura District Council, or the Marlborough District Council:

- (vi) commercial fit-outs for which the person uses the pool method and that are located in an earthquake-affected area relating to the Wellington City Council, the Hutt City Council, or the Wellington Regional Council (Greater Wellington):
- (vii) depreciable property for which the person uses the pool method, other than a building, grandparented structure, or commercial fit-out:
- (viii) depreciable property not referred to in **subparagraphs (i) to (vii)**; and
- (c) give details of each item of replacement property acquired in the current year and the affected class to which the person is linking the item; and
- (d) give the amount of the expenditure on the replacement item and the reduction under **subsection (4) or (7)** of that expenditure for the purposes of determining adjusted tax value or depreciation loss; and
- (e) give the amount, for each affected class, of the suspended recovery income at the end of the current year.

*Disposal of replacement property: reduction in cost treated as depreciation loss*

- (12) For the purposes of section EE 48, the amount by which a person's expenditure on a replacement item is treated as being reduced under **subsection (4) or (7)** is an amount of depreciation loss for the item for which the person has been allowed a deduction.

*Order of acquisition for items acquired at same time*

- (13) If items of replacement property are acquired at the same time and the effect of this section depends on the order in which the items are acquired, the items are treated as being acquired in the order chosen by the person in the first return of income for which the order of acquisition is taken into account.

*Relationship to subpart EE*

- (14) This section overrides subpart EE (Depreciation).

Defined in this Act: adjusted tax value, amount, building, commercial fit-out, depreciable intangible property, depreciable property, depreciation loss, depreciation recovery income, diminishing value method, grandparented structure, income year, liquidation, notice, notify, pool, pool method, return of income, straight-line method

- (2) **Subsection (1)** applies for the 2015–16 and later income years.

**72C New heading and sections EZ 78 and EZ 79 inserted**

- (1) After section EZ 77, insert:

***Damage from Hurunui/Kaikōura earthquakes***

**EZ 78 Insurance for Hurunui/Kaikōura earthquake damage of property: treatment as disposal and reacquisition***When this section applies*

- (1) This section applies for a person and an item of depreciable property when—
- (a) the item is damaged by a Hurunui/Kaikōura earthquake as that term is defined in section 4 of the Hurunui/Kaikōura Earthquakes Recovery Act 2016 (the **Hurunui/Kaikōura earthquake**); and
  - (b) the person is entitled to an amount of insurance or compensation for the damage to the item; and
  - (c) the item is assessed by the payer of the insurance or compensation as uneconomic to repair; and
  - (d) the damage does not meet the requirements of section EE 47(4) (Events for purposes of section EE 44).

*Treatment as disposal and reacquisition of item*

- (2) The person is treated as, on the date of the Hurunui/Kaikōura earthquake,—
- (a) disposing of the item for the amount of insurance or compensation; and
  - (b) reacquiring the item for zero consideration.

*Relationship with section EE 52*

- (3) This section overrides section EE 52 (Amount of depreciation recovery income when compensation received).

Defined in this Act: amount, depreciable property, income year

**EZ 79 Insurance for Hurunui/Kaikōura earthquake damage of property: limit on depreciation recovery income***When this section applies*

- (1) This section applies for a person and an item of depreciable property when—
- (a) the item is damaged by a Hurunui/Kaikōura earthquake as that term is defined in section 4 of the Hurunui/Kaikōura Earthquakes Recovery Act 2016; and
  - (b) the person is entitled to an amount of insurance or compensation for the damage to the item; and

- (c) the damage does not meet the requirements of section EE 47(4) (Events for purposes of section EE 44); and
- (d) **section EZ 78** does not apply for the item.

*Limit on depreciation recovery income under section EE 52*

- (2) If the person would derive depreciation recovery income under section EE 52 (Amount of depreciation recovery income when compensation received) in an income year for the item in the absence of this section, the person derives in the income year an amount of depreciation recovery income equal to the lesser of—
  - (a) the amount of depreciation recovery income under section EE 52 that the person would derive in the income year for the item in the absence of this section:
  - (b) the total of the amounts of depreciation loss for which the person has been allowed deductions for the item.

*Relationship with section EE 52*

- (3) This section overrides section EE 52.  
Defined in this Act: amount, deduction, depreciable property, depreciation loss, depreciation recovery income, income year

- (2) **Subsection (1)** applies for the 2015–16 and later income years.

*New clause 91B*

After *clause 91* (page 76, after line 7), insert:

**91B Section FO 18 amended (When amalgamating companies are parties to financial arrangement)**

Replace section FO 18(1) with:

*When this section applies*

- (1) This section applies when amalgamating companies are parties to a financial arrangement that exists on the date of the amalgamation of the companies and **section FO 21** does not apply.

*New clause 92B*

After *clause 92* (page 76, after line 10), insert:

**92B New section FO 21 inserted (When amalgamating companies are parties to financial arrangements: economic groups)**

After section FO 20, insert:

**FO 21 When amalgamating companies are parties to financial arrangements: economic groups**

*When this section applies*

- (1) This section applies when—

**Proposed amendments to  
Taxation (Annual Rates for 2016-17, Closely Held  
Companies, and Remedial Matters) Bill**

- (a) amalgamating companies are parties to a financial arrangement that exists on the date of the amalgamation; and
- (b) **section EW 46C(1)(a) or (b)** (Consideration when debt forgiven within economic group) apply to the amalgamating companies as creditor and debtor for the financial arrangement; and
- (c) **section EW 46C(3)** does not apply.

*Consideration: debtor*

- (2) The debtor is treated as having paid the amount of the financial arrangement on the date of the amalgamation.

*Consideration: creditor*

- (3) The creditor is treated as having been paid the amount of the financial arrangement on the date of the amalgamation.

Defined in this Act: amalgamating company, amalgamation, amount, financial arrangement, pay

*Clause 262*

In *clause 262(27)*, replace “in engaged” (page 137, line 12) with “is engaged”.

After *clause 262(55)* (after page 139, line 17), insert:

- (55B) In the definition of **large business AIM-capable system**, replace “section 45C” with “section 15Y”.

*Clause 295*

In *new section 108(1C)(b)*, replace “for which” (page 160, line 18) with “in which”.

In *new section 108(1E)*, replace “subsection (1)” (page 160, line 26) with “the time bar in **subsection (1C)(b)**”.

*New clause 302B*

After *clause 302* (page 161, after line 22), insert:

**302B Schedule 2 amended**

- (1) This section amends schedule 2.
- (2) In item 13, replace “subparagraph B(1)(c)” with “subsubparagraph B(1)(c)”.
- (3) In item 22, replace “subparagraph C(17)(g)” with “subsubparagraph C(17)(g)”.
- (4) In item 23, replace “paragraph D(4)” with “subparagraph D(4)”.
- (5) In item 24, replace “paragraph D(5)” with “subparagraph D(5)”.

*Clause 314*

Replace *clause 314(1B)* (page 168, line 39 to page 169, line 2) with:

- (1B) After section 20(3)(hc), insert:
- (hd) the amount given by **section 20H** in relation to the supply during the taxable period of certain financial services:

*Clause 321*

After *deleted clause 321(2)* (page 172, after line 12), insert:

- (2) **Subsection (1)** applies for taxable periods beginning on or after 1 April 2005.

*Clause 338*

Delete *clause 338(1)* (page 180, lines 32–36).

In *clause 338(1B)*, replace *new section CD 32(10B)* (page 181, lines 1–15) with:

*When subsection (10D) applies*

- (10B) **Subsection (10D)** applies for a company (the **calculation company**) for which the calculation in subsection (1) is being performed if—
- (a) **section EW 46B(1)(a) or (b)** (Consideration when debt forgiven within economic group) apply to a creditor and debtor that are in the same wholly-owned group of companies as the calculation company; and
  - (b) the creditor is a non-resident company; and
  - (c) **section EW 46B(3)** does not apply; and
  - (d) the calculation company is the debtor, or the calculation company holds, before section OD 3 or OD 4 (which relate to voting interests and market value interests) is applied to the calculation company, voting interests or, if a market value exists for a company that is part of the wholly-owned group of companies, market value interests, in the debtor.

In *clause 338(1B)*, *new section CD 32(10D)*, replace “The subscriptions amount is treated as including the amount of debt to which **section EW 46B(3)** applies for the creditor and relevant debtor” (page 181, lines 27 and 28) with “For the calculation company, the subscriptions amount is treated as including the amount of debt to which **section EW 46B(5)** applies for the creditor”.

In *clause 338(1C)*, after ““market value interest”,” (page 182, line 4), insert ““non-resident company”,”.

In *clause 338(2)*, replace “**(1)**” (page 182, lines 5 and 8) with “**(1B)**” in both places in which it appears.

**Proposed amendments to  
Taxation (Annual Rates for 2016-17, Closely Held  
Companies, and Remedial Matters) Bill**

SOP No 261

---

*Clause 342*

In *clause 342(1)*, *new section EW 46B(1)(b)*, replace “New Zealand resident companies” (page 185, lines 26 and 27) with “New Zealand resident companies (the **NZ group**)”.

In *clause 342(1)*, *new section EW 46B(1)(b)*, replace “the group” (page 185, line 29) with “the NZ group”.

In *clause 342(1)*, *new section EW 46B(2)(b)*, replace “the group” (page 186, line 8) with “the single creditor group”.

In *clause 342(1)*, after *new section EW 46B(2)(b)* (after page 186, line 21), insert:

- (c) a group of persons (the **single corporate creditor group**) that are creditors or that have interests in the debtor are treated as 1 creditor holding the total debts and interests of the single corporate creditor group, if—
  - (i) each person is a member of the same wholly-owned group of companies; and
  - (ii) the debtor is not a member of the wholly-owned group of companies.

### **Explanatory note**

This Supplementary Order Paper (the **SOP**) inserts clauses providing for depreciation recovery income roll-over relief for buildings and plant and equipment which are destroyed, or badly damaged, by a Hurunui/Kaikōura earthquake and are replaced. For the relief to be available for a damaged building, it must be in 1 of 2 zones and the replacement building must be in the same zone. One of the zones is the greater Wellington area and the other zone is the upper South Island.

The details of the relief are modelled on those of the relief given to businesses affected by the Canterbury earthquakes. The proposed relief is provided by *new section EZ 23BC*, which is inserted into the Income Tax Act 2007 by *new clause 72B*, and by *new sections EZ 78 and EZ 79*, which are inserted by *new clause 72C*.

The SOP also contains a number of technical amendments improving the application of the bill. Several of those amendments relate to debt remission and to what is known as “self-remission”, where debts are remitted within partnerships and look-through companies.

The general rule for debt remission is that the debtor has taxable income, on the assumption that the debtor has made an economic gain from the remission. The bill proposes an exception to that rule, for debt remissions within an economic group which do not lead to a net increase in the economic wealth of the group. The SOP includes technical changes to the proposal, which ensure that it works as intended and has the appropriate scope. The SOP also proposes a corresponding exception for the rules applying to debt remissions which occur during the amalgamation of companies.

### **Departmental disclosure statement**

The Inland Revenue Department is required to prepare a disclosure statement to assist with the scrutiny of this Supplementary Order Paper. The disclosure statement provides access to information about any material policy changes to the Bill and identifies any new significant or unusual legislative features of the Bill as amended.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=sop&subtype=government&year=2017&no=261&>

### **Regulatory impact statement**

The Inland Revenue Department did not produce a regulatory impact statement relating to the contents of this SOP. The issues relating to the proposed relief for depreciation recovery income are considered in a regulatory impact statement relating to the corresponding relief for businesses affected by damage to depreciable property caused by the Canterbury earthquakes. A copy of that regulatory impact statement can be found at—

- <http://taxpolicy.ird.govt.nz/publications/2011-ris-sop-254-tarm-bill/tax-relief-depreciation-clawback-canterbury-earthquake>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>