

# House of Representatives

## Supplementary Order Paper

Tuesday, 24 August 2010

### Taxation (Annual Rates, Trans-Tasman Savings Portability, KiwiSaver, and Remedial Matters) Bill

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*Proposed amendments*

Hon Peter Dunne, in Committee, to move the following amendments:

*Clause 2*

*Subclause (6)*: To insert, after “**21C**,” (line 1 on page 9), “**23C**,”.

*Subclause (6)*: To insert, after “**38**,” (line 4 on page 9), “**38BB(1) to (3)**,”.

*Subclause (10)*: To replace “**22D, 23, 23B, 24, 27C, 27E**,” (lines 29 and 30 on page 9) with “**22D(1) and (2), 23, 23B, 24, 27C, 27E, 31BA**,”.

*Subclause (10)*: To replace “**and 38B**” (line 31 on page 9) with “**36(5), 38B, 38BB(4) and (5), 39BA, and 77B**”.

*New subclause (10B)*: To insert, after *subclause (10)* (after line 32 on page 9), the following:

(10B) **Sections 23D, 23E, 23F, 23G, and 32(3BB), (11BA), and (12C)** are treated as coming into force on 1 June 2010.

*Subclause (11)*: To replace “**19G, 32(3C), (11B), and (15), 72(2), 73, 74, 77, 78**,” (line 36 on page 9 to line 1 on page 10) with “**19G, 24F, 32(3C), (11B), and (15)**,”.

*New subclauses (11BA) and (11BAB)*: To insert, after *subclause (11)* (after line 2 on page 10), the following:

(11BA) **Sections 17B to 17D and 19GB** come into force on 26 September 2010.

(11BAB) **Sections 22BC, 22CB, 22D(1A) and (1AB), and 30I** come into force on 1 October 2010.

*Subclause (11B)*: To omit “**Section 33C(4) comes**” (line 3 on page 10) and substitute “**Sections 7D, 9BB, 22BB, 26B, 28BA, 31BAB, 32(5B), (11BB), (12B), and (12D), 38CB, 38CC, and 70B come**”.

*Clause 7*

*Section CD 34B(9)(a)*: To omit “irrevocable” (line 27 on page 14).

*New clause 7D*

To insert, after *clause 7C* (after line 11 on page 15), the following:

**7D Subpart CS repealed**

Subpart CS is repealed.

*New clause 9BB*

To insert, after *clause 9B* (after line 30 on page 15), the following:

**9BB Employment-related loans**

- (1) Section CX 10(2)(c) is repealed.
- (2) In section CX 10, in the list of defined terms, “superannuation fund” is omitted.

*New clauses 17B to 17D*

To insert, after *clause 17* (after line 20 on page 22), the following:

**17B Change of spreading method**

After section EW 26(7), the following is added:

“*Modification*

- “(8) **Section EZ 52C** (Change of spreading method: *Determination G22 to Determination G22A*) modifies this section.”

**17C Spreading method adjustment formula**

After section EW 27(8), the following is added:

“*Modification*

- “(9) **Section EZ 52C** (Change of spreading method: *Determination G22 to Determination G22A*) modifies this section.”

**17D Base price adjustment formula**

In section EW 31(8), “EW 48” is replaced by “EW 48, or **EZ 52D**”.

*Clause 19G*

To replace *subclause (2)* (line 23 on page 26) with the following:

- (2) In section EY 30(2), “a group life master policy, credit card repayment insurance, and an workplace group policy” is replaced by “a multiple life policy through which the life insurer can look to the individual lives covered, credit card repayment insurance, and a workplace group policy”.

*Subclause (3): section EY 30(2)(c)*: To replace “period.” (line 32 on page 26) with “period; and” and add the following:

- (d) no new or replacement individual life is covered for a period beginning after the grandparenting start day.

*New subclause (3B)*: To insert, after *subclause (3)* (after line 32 on page 26), the following:

- (3B) In section EY 30(3),—
- (a) the heading is replaced by “*Multiple life policies*”:
  - (b) “group life master policy” is replaced by “multiple life policy through which the life insurer can look to the individual lives covered”:
  - (c) in paragraph (b), “subsection (5)(a)” is replaced by “subsection (5)(a) or (b)”.

*New subclause (4B)*: To insert, after *subclause (4)* (after line 5 on page 27), the following:

- (4B) In section EY 30(4), “an workplace group policy” is replaced by “a workplace group policy”.

*Subclause (12)*: To replace the subclause (lines 6 to 17 on page 28) with the following:

- (12) Section EY 30(14) is replaced by the following:
- “*Meaning of multiple life policy*
- “(14) **Multiple life policy**—
- “(a) means a life insurance policy with multiple individuals’ life insurance cover grouped under it, if the group of individuals is identified in the policy:
  - “(b) does not include—
    - “(i) a workplace group policy:
    - “(ii) credit card repayment insurance:
    - “(iii) life reinsurance to the extent to which it reinsures a workplace group policy or credit card repayment insurance.”

*Subclause (13)*: To replace *section EY 30(15)(a)(i)* (lines 25 to 28 on page 28) with the following:

- (i) a group that includes, or consists of, a class of employees of an employer or group of employers, and may include 1 or more of the employers or directors of the employers, and the policy is sponsored by the employers or by the trustees of a superannuation scheme:

*Subclause (13)*: To replace *section EY 30(15)(b)* (lines 36 to 39 on page 28) with the following:

- (b) in the case of the sponsor being the employer,—
  - (i) the employer is required to offer an employee who is a member of the relevant class the opportunity to join the life insurance policy; and
  - (ii) the life insurer and the employer have entered an agreement about who pays the premium.

*New clause 19GB*

After clause 19G (after line 10 on page 29), the following is inserted:

**19GB New sections EZ 52C and EZ 52D**

After section EZ 52B, the following is inserted:

**“EZ 52C Change of spreading method: *Determination G22 to Determination G22A***

*“How and when this section applies*

“(1) This section does not alter or affect a person’s tax position in relation to *Determination G22: Optional convertible notes denominated in New Zealand dollars convertible at the option of the holder* or the person’s litigation of their tax position in relation to *Determination G22*. It does not alter or affect the Commissioner’s assessment of, or litigation of, that tax position. It applies after *Determination G22* has applied for a person’s financial arrangement, and only if, for the financial arrangement,—

“(a) *Determination G22A: Optional convertible notes denominated in New Zealand dollars* did not apply while *Determination G22* applied, because of the application of section 90AE of the Tax Administration Act 1994, or the application of *Determination G22A*, clause 3(1)(b); and

“(b) *Determination G22A* starts applying immediately after—

“(i) section 90AE of the Tax Administration Act 1994 stops applying; or

“(ii) *Determination G22A*, clause 3(1)(b) stops applying.

*“Spreading method adjustment*

“(2) Despite sections EW 26 and EW 27 (which relate to changes of spreading method), the person must not calculate a spreading method adjustment under section EW 27 for the change of spreading method, for the financial arrangement, from *Determination G22* to *Determination G22A*.

*“Part years under Determinations instead of spreading method adjustment*

“(3) In the income year in which **subsection (2)** applies, for the financial arrangement, *Determination G22* applies for the part-year before the change to *Determination G22A*, and *Determination G22A* applies for the part-year after the change from *Determination G22*.

“Defined in this Act: amount, assessment, financial arrangement, spreading method

**“EZ 52D Base price adjustment: financial arrangements  
to which *Determination G22* and *Determination G22A*  
applied**

*“How and when this section applies*

“(1) This section does not alter or affect a person’s tax position in relation to *Determination G22* or the person’s litigation of their tax position in relation to *Determination G22*. It does not alter or affect the Commissioner’s assessment of, or litigation of, that tax position. It applies after *Determination G22* has applied for a person’s financial arrangement, and only if, for the financial arrangement,—

“(a) **section EZ 52C** applied; and

“(b) *Determination G22A* applies when the person is required to calculate a base price adjustment for the financial arrangement.

*“Consideration adjustment*

“(2) For the financial arrangement, the consideration referred to in section EW 31(7) (Base price adjustment formula) is adjusted in accordance with **subsections (3) to (6)**.

*“Issuer*

“(3) If the person is the issuer of the financial arrangement, an amount calculated under **subsections (5) and (6)** is added to all consideration that has been paid, and all consideration that is or will be payable, by the issuer for or under the financial arrangement.

*“Holder*

“(4) If the person is a holder of the financial arrangement, an amount, referable to the person’s holding, calculated under **subsections (5) and (6)** is added to all consideration that has been paid, and all consideration that is or will be payable, to the holder for or under the financial arrangement.

*“Calculation*

“(5) For the purposes of **subsections (3) and (4)** the amount is calculated using the following formula:

$$X - Z.$$

*“Definition of items in formula*

“(6) In the formula,—

“(a) **X** is, for the financial arrangement, an amount equal to the item **s** in *Determination G22*, clause 6(1), if that item were calculated in accordance with that *Determination* at the time immediately before the change of spreading method described in **section EZ 52C(2)**;

“(b) **Z** is, for the financial arrangement, an amount equal to the item **s** in *Determination G22*, clause 6(1), if that

item were calculated in accordance with that Determination at the time when it first applied.

“Defined in this Act: amount, consideration, financial arrangement”.

*New clauses 22BB and 22BC*

To insert, after *clause 22B* (after line 9 on page 36), the following:

**22BB When income cannot be attributed**

- (1) Section HM 37(3) is repealed.
- (2) In section HM 37, in the list of defined terms, “investor interest” is omitted.

**22BC New section HM 42B**

After section HM 42, the following is inserted:

**“HM 42B Part-year tax calculations for PIEs under the exit calculation option for the 2010–11 tax year**

*“When this section applies*

- “(1) This section applies to a PIE for the 2010–11 tax year if section HM 42 applies to the PIE for that year and the PIE chooses to apply this section by filing a return under section 57B(5) or (7) of the Tax Administration Act 1994 in accordance with this section.

*“Part-year tax calculations: description*

- “(2) For calculating their income tax liability for the 2010–11 tax year, the PIE treats references to an income year or a tax year as if they are references to 2 separate tax years and corresponding income years within that tax year, divided by 1 October 2010 (*for example*: an amount of income attributed to a date before 1 October 2010 is included in the first part-year and taxed using the notified investor rate advised before 1 October 2010. A notified investor rate advised on or after 1 October 2010 is applied only to the amount of income attributed to the second part-year).

*“Part-year tax calculations: effect*

- “(3) The part-year calculations may give rise to income and deductions for the income year and they do create part-year tax return obligations, except that the requirement for returns under section 57B(7)(a) of the Tax Administration Act 1994 and for notice in relation to investors or proxies under section 31C(4) of that Act can be met by sending returns or notices on a full-year or part-year basis. The 2 part-year calculations create 2 income tax liabilities for 2 part-years.

*“Foreign tax credits: special rule*

- “(4) Despite **subsections (2) and (3)**, tax credits under subpart LJ (Tax credits for foreign income tax) may be used in accordance

with section HM 51 in either part-year, if they are attributable to the first part-year.

“Defined in this Act: deduction, income, income tax liability, income year, notified investor rate, PIE, tax credit, tax year”.

*New clause 22CB*

To insert, after *clause 22C* (after line 14 on page 36), the following:

**22CB Transition of rate for certain investors**

- (1) In section HM 58(1), “21%” is replaced by “19.5%, 21%”.
- (2) In section HM 58(2)(b), “21%” is replaced by “19.5% or 21%”.

*Clause 22D*

*New subclauses (1A) and (1AB)*: To insert, before *clause 22D(1)* (before line 16 on page 36), the following:

- (1A) In section HM 60(3),—
  - (a) in the first sentence, “in every period for the income year” is replaced by “in the period”:
  - (b) in the third sentence, “must apply the notified investor rate that would have applied ignoring the Taxation (Budget Measures) Act 2010” is replaced by “may apply a notified investor rate corresponding to the most recent notified investor rate, ignoring the Taxation (Budget Measures) Act 2010 (*for example*: a notified investor rate of 12.5% may be applied before 1 October 2010, if the most recent notified investor rate on or after 1 October 2010 is 10.5%)”.

(1AB) After section HM 60(3), the following is inserted:

*“Exception*

- “(3B) **Subsection (3)** does not apply if the PIE has made a voluntary payment of tax under section HM 45 that is intended to satisfy its income tax liability for the period in relation to the investor unless the rate last notified applies to the voluntary payment.”

*New clauses 23C to 23G*

To insert, after *clause 23B* (after line 17 on page 37), the following:

**23C Transitional residents**

- (1) In section HR 8(2)(b), “section YD 1(2) and (3)” is replaced by “section YD 1(2) or (3)”.
- (2) In section HR 8(3)(b)(ii), “section YD 1(2) and (3)” is replaced by “section YD 1(2) or (3)”.

**23D Cross-heading replaced**

In the cross-heading after section HR 8, “*RMBS*” is replaced by “*Financial institution*”.

**23E RMBS special purpose vehicles**

- (1) In the heading to section HR 9, “**RMBS**” is replaced by “**Financial institution.**”
- (2) In section HR 9, in the words before the paragraphs,—
  - (a) “registered bank” is replaced by “financial institution”:
  - (b) “**RMBS**” is replaced by “**financial institution**”:
  - (c) “RMBS” is replaced by “financial institution”.
- (3) In section HR 9, in paragraphs (a), (b), (c), and (d),—
  - (a) “registered bank” is replaced in each place where it appears by “financial institution”:
  - (b) “RMBS” is replaced in each place where it appears by “financial institution”.
- (4) In section HR 9, in the list of defined terms,—
  - (a) “registered bank” and “RMBS special purpose vehicle” are omitted:
  - (b) “financial institution” and “financial institution special purpose vehicle” are inserted.

**23F New section HR 9B inserted**

After section HR 9, the following is inserted

**“HR 9B Bankruptcy-remote property during application of section HR 9**

Despite section HR 9, property that a financial institution holds because of the application of section HR 9 cannot be attached, charged, disposed of, or otherwise used in the payment of its tax debt, except to the extent that—

- “(a) such tax debt—
- “(i) does not relate to income tax or provisional tax; and
  - “(ii) would have been the relevant financial institution special purpose vehicle’s tax debt in the absence of section HR 9:
- “(b) such property could have been attached, charged, disposed of, or otherwise used in payment of the tax debt in the absence of section HR 9.

“Defined in this Act: dispose, financial institution, financial institution special purpose vehicle, income tax, provisional tax, tax”.

**23G What happens when vehicle stops being RMBS special purpose vehicle?**

- (1) In section HR 10, in the heading to section HR 10, “**RMBS**” is replaced by “**financial institution.**”
- (2) In section HR 10(1),—
  - (a) in the words before the paragraphs, “RMBS” is replaced by “financial institution”:

- (b) in paragraphs (a) and (c), “registered bank” is replaced in each place where it appears by “financial institution”;
- (c) in paragraphs (a), (b), (c) and (d), “RMBS” is replaced in each place where it appears by “financial institution”.
- (3) In section HR 10(3), “registered bank” is replaced in each place where it appears by “financial institution”.
- (4) Section HR 10(4), other than its heading, is replaced by the following:
  - “(4) In this section, **unwind** means a process, ignoring section HR 9, by which—
    - “(a) guarantees and residential mortgage backed securities, as the case may be, described in the definition of **financial institution special purpose vehicle**, **paragraph (d)** are cancelled; and
    - “(b) interests described in the definition of **financial institution special purpose vehicle**, **paragraph (b)** are transferred to the financial institution; and
    - “(c) the vehicle is terminated, by liquidation or otherwise.”
- (5) In section HR 10, in the list of defined terms,—
  - (a) “registered bank” and “RMBS special purpose vehicle” are omitted;
  - (b) “financial institution” and “financial institution special purpose vehicle” are inserted.

*New clause 24F*

To insert, after clause 24E (after line 34 on page 39), the following:

**24F Treatment of remaining credits**

In section LA 5(4), “section LE 2” is replaced by “section LE 2, LE 2B”.

*New clause 26B*

To insert, after clause 26 (after line 14 on page 40), the following:

**26B Tax credits for supplementary dividends**

- (1) In section LP 2(2), in the formula, “24/53” is replaced by “54/119”.
- (2) **Subsection (1)** applies for the 2011–12 and later income years.

*New clause 28BA*

To insert, after clause 28 (after line 8 on page 43), the following:

**28BA ICA attribution for personal services**

In section OB 16(1), “42.86” is replaced by “38.89”.

*New clause 30I*

To insert, after *clause 30H* (after line 3 on page 51), the following:

**30I Tax credits for non-resident investors**

- (1) In section OZ 12(2), “24/53” is replaced by “54/119”.
- (2) In section OZ 12(3), “24/53” is replaced by “54/119”.

*New clauses 31BA and 31BAB*

To insert, after clause 31 (after line 8 on page 51), the following:

**31BA Alternate rate option**

In section RD 59(3)(b), “49%” is replaced by “49.25%”.

**31BAB Heading and section RD 72 repealed**

The heading before section RD 72 and section RD 72 are repealed.

*Clause 32*

*New subclause (3BB)*: To insert, after *subclause (3B)* (after line 7 on page 52), the following:

- (3BB) After the definition of **financial assistance**, the following is inserted:

“**financial institution** means a registered bank or an entity subject to the Deposit Takers (Credit Ratings) Regulations 2009 that must use IFRSs to prepare financial statements and to which section 15 of the Financial Reporting Act 1993 applies

“**financial institution special purpose vehicle** means a company or a trustee of a trust that, ignoring **section HR 9**,—

- “(a) derives no exempt income; and
- “(b) has all of its financial arrangements that are its assets treated as a financial institution’s financial arrangements for financial reporting purposes, but ignoring any current account balance that is incidental to the company’s or trustees’ sole purpose described in **paragraph (e)**; and
- “(c) receives only funds that are—
  - “(i) in respect of financial arrangements described in **paragraph (b)**:
  - “(ii) incidental to the company’s or trustees’ sole purpose described in **paragraph (e)**; and
- “(d) either—
  - “(i) operates to guarantee liabilities of the financial institution or of a company, incorporated in and resident in New Zealand, that is a member of a wholly-owned group of companies which includes the financial institution; or

- “(ii) operates in respect of the company’s or trustees’ issue of residential mortgage backed securities; and
- “(e) has interests in financial arrangements only for the sole purpose of carrying out the company’s or trustees’ operations described in **paragraph (d)(i) or (ii)**; and
- “(f) has financial statements that are prepared using IFRSs and are audited”.

*New subclause (5B)*: To insert, after *subclause (5)* (after line 14 on page 53), the following:

(5B) In the definition of **member**, paragraph (b) is repealed.

*New subclause (11BA)*: To insert, after *subclause (11)* (after line 15 on page 55), the following:

(11BA) The definition of **RMBS special purpose vehicle** is repealed.

*New subclause (11BB)*: To insert, after *subclause (11B)* (after line 18 on page 55), the following:

(11BB) The definition of **significant financial hardship** is repealed.

*Subclause (11C)*: To replace *paragraph (a)* (line 20 on page 55) with the following:

- (a) in paragraph (b), “EB 24 (Apportionment on disposal of business assets that include trading stock),” is inserted after “CG 6 (Receipts from insurance, indemnity, or compensation for trading stock),”:

*New subclauses (12B) to (12D)*: To insert, after *subclause (12)* (after line 26 on page 55), the following:

(12B) In the definition of **trust rules**, paragraph (a) is repealed.

(12C) In the definition of **unwind**, “RMBS” is replaced by “financial institution”.

(12D) The definition of **withdrawal** is repealed.

*Clause 33C(4)*

To omit the subclause (lines 31 and 32 on page 57).

*New clause 36(5)*

To add, after clause 36(4) (after line 22 on page 60), the following:

- (5) After the definition of **RWT exemption certificate**, the following is inserted:  
“**RWT rate**, for a person and resident passive income, means the basic rate for RWT given by the Income Tax Act 2007, in schedule 1, part D, for the person and the resident passive income”.

*New clause 38BB*

To insert, after *clause 38B* (after line 9 on page 61), the following:

**38BB RWT withholding certificates**

- (1) In section 25(6)(a), “applies:” is replaced by “applies; and”.
- (2) In section 25(6)(b), “withheld:” is replaced by “withheld; and”.
- (3) In section 25(6)(c), “withheld:” is replaced by “withheld; and”.
- (4) Section 25(6)(d) is replaced by the following:
  - “(d) the rate for the resident passive income—
    - “(i) found by dividing the total amount of RWT withheld by the amount of resident passive income:
    - “(ii) at which RWT would have been withheld if the resident passive income had been paid or derived at the end of the relevant tax year:
    - “(iii) at which RWT was withheld during the relevant tax year, together with, if more than 1 RWT rate applied for the resident passive income, the amount to which each rate applied and the amount withheld at each rate.”
- (5) **Subsection (4)** applies for the 2010–11 and later tax years.

*New clauses 38CB and 38CC*

To insert, after *clause 38C* (after line 13 on page 61), the following:

**38CB Section 32B repealed**

Section 32B is repealed.

**38CC Section 32C repealed**

Section 32C is repealed.

*New clause 39BA*

To insert, after *clause 39* (after line 27 on page 61), the following:

**39BA RWT withholding reconciliation statements**

- (1) Section 51(2)(g) is repealed.
- (2) **Subsection (1)** applies for the 2010–11 and later tax years.

*New clause 70B*

To insert, after *clause 70* (after line 29 on page 70), the following:

**70B Section 165AA repealed**

Section 165AA is repealed.

*New clause 77B*

To insert, after *clause 77* (after line 2 on page 75), the following:

**77B Interest rate**

- (1) In section 86(1), in the definition of item **lowest tax rate**, “part A, table 1, row 1, column 3” is replaced by “part D, table 2, row 7, column 3”.
- (2) **Subsection (1)** applies for the 2010–11 and later tax years.

*New heading and clauses 86C and 86D*

To insert, after *clause 86B* (before line 1 on page 84), the following:

*Taxation (Budget Measures) Act 2010*

**86C Section 4 repealed**

Section 4 of the Taxation (Budget Measures) Act 2010 is repealed.

**86D Alternate rate option**

In section 68(2)(b) of the Taxation (Budget Measures) Act 2010, in section RD 59(3), “49%” is replaced by “49.25%”.

*Schedule 1, part 3*

To omit the part (line 16 on page 87 to line 21 on page 88).

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### Explanatory note

This Supplementary Order Paper amends the Taxation (Annual Rates, Trans-Tasman Savings Portability, KiwiSaver, and Remedial Matters) Bill.

*New clause 7D* repeals the Fund Withdrawal Tax on certain withdrawals from superannuation funds that include employer contributions for members with income above \$70,000. *New clauses 9BB, 22BB, 31BAB, 32(5B), (11BB), (12B), and (12D), 38CB, 38CC, 70B, and 86C* make consequential changes. The amendments, apart from *clause 86C*, come into force on 1 April 2011. *Clause 86C* amends the *Taxation (Budget Measures) Act 2010* and comes into force on the date of the *Royal assent*.

*New clauses 17B to 17D* insert references to provisions inserted by *clause 19GB*. The amendments come into force on 26 September 2010.

Changes to *clause 19G* correct details of the transitional rules for life insurers moving to the new life insurance rules inserted by the *Taxation (International Taxation, Life Insurance, and Remedial Matters) Act 2009*. The proposed amendments relate to policies covering more than one life.

*New clause 19GB* inserts *new sections EZ 52C and EZ 52D* relating to the effects of the replacement of *Determination G22* by *Determination G22A* and the spreading methods for financial arrangements given by those Determinations. The amendments come into force on 26 September 2010.

*New clauses 22BC, 22CB, and 22D(1A) and (1AB) correct the transitional rules for PIEs moving to the new tax rates provided in the Taxation (Budget Measures) Act 2010. The proposed amendments take into account different balance dates and payment periods of some PIEs. They come into force on 1 October 2010.*

*New clause 23C corrects 2 cross references, coming into force on 1 April 2008.*

*New clauses 23D to 23G replace the current treatment of RMBS special purpose vehicles, and extend it to financial institution special purpose vehicles involved in some covered bond-issuing programmes. Clause 32(3BB), (11BA), and (12C) make consequential changes. The amendments come into force on 1 June 2010.*

*New clause 24F inserts an omitted cross reference, coming into force on 1 July 2010.*

*New clauses 26B, 28BA, and 30I correct numerical errors inserted in the Income Tax Act 2007 by earlier amendments. Clauses 26B and 28BA come into force on 1 April 2011 and clause 30I comes into force on 1 October 2010.*

*New clause 31BA increases, from 49% to 49.25%, the rate for provisional FBT payments imposed by section RD 59 so that it coincides with the rate imposed by other provisions. The amendment comes into force on 1 April 2010.*

*Clause 32(11C)(a) is replaced so that it inserts a correct cross reference.*

*Clause 33C(4) is proposed to be omitted as a consequence of the omission of schedule 1, part 3.*

*Clause 36(5) inserts, in section 3(1) of the Tax Administration Act 1994, a definition of RWT rate that is required as a consequence of clause 38BB(4). The amendment comes into force on 1 April 2010.*

*New clause 38BB(1) to (3) clarifies that the requirements in section 25(6) of the Tax Administration Act 1994 relating to information about RWT withholding rates are cumulative. The amendments come into force on 1 April 2008.*

*New clauses 38BB(4) and 39BA change details of the information about RWT withholding rates that is required to be provided by people who withhold RWT. The changes allow for the complications produced by a change in the withholding rate part way through a period. The amendments come into force on 1 April 2010.*

*New clause 77B changes the definition of a rate used in the formula that gives the interest to be paid on refunds of KiwiSaver contributions. The new rate used in the formula corresponds to a rate for the withholding of RWT. The amendment comes into force on 1 April 2010.*

*New clause 86D changes an amendment to section RD 59 being made by section 68 of the Taxation (Budget Measures) Act 2010 on 1 April 2011, so that it matches the change made by new clause 31BA. The clause comes into force on the date of the Royal assent.*

*Schedule 1, part 3* is proposed to be omitted because the change was superseded by the *Taxation (Budget Measures) Act 2010*.

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