

TABLE OF TERMINATING PROVISIONS

Note: We have reached tentative conclusions on the terminating provisions in subparts CZ, DZ, and EZ. This table sets out the status of each of the current provisions.

	Section	Issues paper	Comment	Status
CZ				
CZ 1	Gains and losses due to exchange variations in respect of repayment of loans	IP 1, page 21, omit subsection (3)		Subsections (1), (2), (4), and (5) rewritten as section CZ 9
CZ 2	Application provision in respect of income from certain money lent or redemption payments		<p>The legislation changed in 1983 to deal with financial transactions that involved discounts or premiums rather than interest. The intention was to treat the discounts and premiums in the same way as interest (the courts had regarded them as capital up to that time). Commercial bills entered into before 29 July 1983 were protected from the change in treatment.</p> <p>By 2003, the date of 29 July 1983 will be 20 years previously. The date needs to be preserved only if any commercial bills entered into before that date will still exist in 2003. More information is needed on this point.</p>	Rewritten as section CZ 4
CZ 3	Fringe benefit tax	IP 1, page 22, omit		Not rewritten
CZ 4	Treatment of units and interests in unit trusts and group investment funds on issue as at 1 April 1999	IP 1, page 23, omit subsections (1) and (2)		Subsections (3) to (5) rewritten as section CZ 8

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CZ 4A	Treatment of superannuation fund interests in group investment funds on 1 April 1999		The section provides that the slice rule does not apply to a superannuation fund investment in a group investment fund on 1 April 1999.	Rewritten as section CZ 7
CZ 4B	Election to use slice rule		The group investment fund could elect, before 31 March 1999, that CZ4A not apply to a superannuation fund interest in it. The election element should be omitted.	Rewritten as section CZ 7
CZ 6	Insurance companies other than life insurance companies	IP 2, page 20, omit except for (c)(iv) (should read (vi)) and (d)(vii)		Subparagraphs rewritten as section CZ 2 (2) and (3) ((d)(vi) and (vii)) and section DZ 2 ((c)(vi)).
DZ				
DZ 1	Premium paid in respect of leased machinery	IP 1, page34, omit		Not rewritten
DZ 2	Certain expenditure on land used for forestry purposes	IP 1, page35, omit		Not rewritten
DZ 3	Certain expenditure on land used for farming or agricultural purposes	IP 1, page35, omit		Not rewritten
DZ 4	Deduction of certain expenditure incurred by persons engaged in aquaculture	IP 1, page35, omit		Not rewritten

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DZ 5	Transactions between 2 petroleum mining companies		The section provides that, if one petroleum mining company pays, before 1/10/90, another for exploration expenditure incurred by the other, it can claim a deduction as if it had incurred it itself. The maximum period over which it could claim the deduction is seven years, so the provision is now spent.	Not rewritten
DZ 6	Companies engaged in exploring for, searching for, or mining petroleum		This section deals with the pre-October 1990 Maui expenditure. Section DM 11 applies to post 1990 expenditure. Section DM 11 is being repealed as spent and section DZ 6 should also be repealed.	Not rewritten
EZ				
EZ 1	Spreading of income arising in 1992-93 income year from revaluation of specified livestock	IP 1, page 37, omit		Not rewritten
EZ 2	Spreading of liquor revaluation income	IP 1, page 38, omit		Not rewritten
EZ 3	Depreciation allowances, etc., on motorcars	IP 1, page 39, omit		Not rewritten
EZ 4	Valuation election for livestock bailed or leased as at 2 September 1992		The section may have some marginal relevance (see subsection (4)(1)(d): 70% rolling average value).	Rewritten as section EZ 23
EZ 5	Purchase of patent rights		Expenditure incurred before 1 April 1993 on the purchase of patent rights may be deducted over the term of the rights.	Rewritten as section EZ 24

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EZ 6	Premium paid in respect of lease of land		The section enables a premium paid for the grant or renewal of a lease before 1 April 1993 to be deducted over the term of the lease.	Rewritten as section EZ 25
EZ 7	Unreturned retail profit in relation to goods sold on hire purchase	IP 1, page 40, omit		Not rewritten
EZ 8	No first year depreciation allowance for previously exempt taxpayers	IP 1, page 41, omit		Not rewritten
EZ 9	New start grants for farmers		This section deals with the consequences of forgiveness or remission of debt before 30 September 1990 or 1991. Application of the section is limited to the year of forgiveness, which cannot be later than the income year ended 31 March 1992.	Not rewritten
EZ 10	Special rules in relation to financial arrangements entered into before 1996-97 income year			Not rewritten. To be included with the sections in division 1 of subpart EH at the end of subpart EZ
EZ 11	Depreciation deduction for assets acquired by taxpayer from associated persons before a certain date			Rewritten as section EZ 7