

Section OB 1 for Part M

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| accounting profits method | | |
| accounting year | | |
| additional income tax | new | |
| amalgamated company | | |
| amalgamating company | | |
| amalgamation | | |
| amount | | |
| annual branch equivalent tax account return | define by reference to sections 77 and 78 of the Tax Administration Act 1994 | |
| annual FDWP return | define by reference to sections 71 and 72 of the Tax Administration Act 1994 | |
| annual policyholder credit account return | define by reference to section 66 of the Tax Administration Act 1994 | |
| annual imputation return | define by reference to section 69 of the Tax Administration Act 1994 | |
| arrangement | | |
| ASC account | new | |
| ASC account company | new | |
| ASC account credit | new | |
| ASC account debit | new | |
| assessable income | | |
| attributed CFC income | | |
| attributed CFC loss | | |
| attributed CFC net loss | | |
| attributing interest | | |
| Australian ICA company | replaces Australian imputation credit account company, update section reference | |
| available net loss | | |
| available subscribed capital | | |
| basic rate | | |
| benchmark distribution | update terminology | |
| benchmark dividend | update section reference | |
| BETA company | replaces branch equivalent tax account company, update section references | |
| BETA person | replaces branch equivalent tax account person, update section references | |
| branch equivalent method | | |
| branch equivalent tax account | update section references and terminology | |
| branch equivalent tax credit | new | |
| branch equivalent tax debit | new | |
| business | | |
| category A income | | |
| CFC | | |
| close of trading spot exchange rate | | |
| combined imputation and FDWP ratio | replaces combined imputation and dividend withholding payment ratio | |

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| combined imputation and conduit tax relief ratio | new | |
| Commissioner | | |
| company | | |
| company dividend statement | | |
| conduit tax relief account | update section reference and terminology | |
| conduit tax relief company | update section references | |
| conduit tax relief credit | replaces existing | |
| conduit tax relief debit | new | |
| conduit tax relief ratio | new | |
| consolidated group | | |
| consolidated BETA group | new | MP 89 |
| consolidated FDWP group | new | MP 46 |
| consolidated imputation group | | |
| co-operative company | | |
| Crown Research Institute | | |
| deduction | | |
| dividend | update section references | |
| double tax agreement | | |
| excess credit amount | update section references | |
| exempt income | | |
| FDWP | replaces dividend withholding payment | |
| FDWP account | replaces dividend withholding payment account, update section references and terminology | |
| FDWP company | replaces dividend withholding payment account company, update section references | |
| FDWP credit | replaces dividend withholding payment credit | |
| FDWP debit | new | |
| FDWP penalty tax | | |
| FDWP ratio | replaces dividend withholding payment ratio | |
| FDWP reference period | new | MC 32 |
| FDWP rules | replaces dividend withholding payment rules, update section references | |
| FIF | | |
| FIF income | | |
| FIF loss | | |
| FIF net loss | | |
| financial statements | update section reference | |
| foreign tax | | |
| further FDWP | replaces further dividend withholding payment, update section reference | |
| further income tax | update section reference | |
| group investment fund | | |
| group of companies | | |
| group of persons | | |
| ICA company | replaces imputation credit account company, update section references | |
| imputation credit | replaces existing definition | |
| imputation credit account | update section references | |

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| imputation debit | new | |
| imputation group | | |
| imputation penalty tax | | |
| imputation ratio | replaces existing definition | |
| imputation return | | |
| imputation rules | | |
| income | | |
| income interest | | |
| income tax | | |
| income tax liability | | |
| income year | | |
| Inland Revenue Acts | | |
| intermediary | | |
| investor | | |
| levy | | |
| life insurance | | |
| life insurer | | |
| liquidation | | |
| local authority | | |
| Maori authority | | |
| Maori authority credit | replaces existing definition | |
| Maori authority credit account | update section reference | |
| Maori authority credit ratio | new | |
| Maori authority debit | new | |
| Maori authority rules | update section references | |
| market value circumstance | | |
| market value interest | | |
| master fund | | |
| maximum deficit debit | replaces existing definition | MC 33 |
| member | update section references | |
| memorandum account | new | MA 2 |
| net loss | | |
| New Zealand | | |
| nominated company | | |
| non-resident | | |
| non-resident company | | |
| non-resident withholding income | | |
| non-resident withholding tax | | |
| non-standard accounting year | | |
| notice | | |
| notify | | |
| on-market cancellation | | |
| pay | | |
| PCA company | replaces policyholder credit account company, update section references and terminology | |
| PCA person | | |
| policyholder base | | |
| policyholder base income tax liability | | |

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| policyholder credit | new | |
| policyholder credit account | update section references and terminology | |
| policyholder debit | new | |
| policyholder FDWP ratio | replaces existing definition (policyholder DWP ratio) | MC 34 |
| policyholder income | | |
| policyholder net loss | | |
| pre-imputation income year | new | |
| produce transactions | update section references | |
| provisional tax | | |
| qualifying amalgamation | | |
| qualifying company | | |
| qualifying unit trust | | |
| reduced deficit debit | update section reference | MC 35 |
| resident imputation subgroup | | |
| resident in Australia | | |
| resident withholding income | | |
| resident withholding tax | | |
| resident in New Zealand | | |
| schedular income | | |
| share | | |
| shareholder | update section references | |
| shareholder dividend statement | | |
| shareholder FDWP ratio | replaces existing definition (shareholder DWP ratio) | MC 36 |
| slice rule | | |
| statutory producer board | | |
| supplementary dividend | | |
| tax | | |
| tax advantage | update section references | |
| tax deduction | | |
| tax year | | |
| taxable Maori authority distribution | | |
| trans-Tasman imputation group | | |
| trustee | | |
| ultimate owner | new | |
| unadjusted income tax liability | | |
| unit trust | | |
| voting interest | | |
| wholly-owned group | | |
| withholding payment | | |

Definitions for inclusion in section OB 1:

additional income tax means an amount of tax arising under section MB 64 (Additional income tax on leaving wholly-owned group) or MB 65 (Additional income tax on joining wholly-owned group)

ASC account means a memorandum account established by an ASC account company under [section MF 1\(2\)](#) (General rules for ASC account companies)

ASC account company means a company that chooses under [section MF 1\(1\)](#) (General rules for ASC account companies) to maintain an ASC account

ASC account credit means a credit referred to in [section MA 5\(6\)](#) (Credits)

ASC account debit means a debit referred to in [section MA 6\(6\)](#) (Debits)

branch equivalent tax credit means a credit referred to in [section MA 5\(5\)](#) (Credits)

branch equivalent tax debit means a debit referred to in [section MA 6\(5\)](#) (Debits)

combined imputation and FDWP ratio means the ratio set out in [section MC 26](#) (FDWP credits and imputation credits attached to dividends)

combined imputation and conduit tax relief ratio means the ratio set out in [section MD 22](#) (CTR credits and imputation credits attached to dividends)

conduit tax relief credit means a credit referred to in [section MA 5\(4\)](#) (Credits)

conduit tax relief debit means a debit referred to in [section MA 6\(4\)](#) (Debits)

conduit tax relief ratio means the ratio set out in [section MD 20](#) (CTR credits attached to dividends)

consolidated BETA group is defined in [section MP 89\(1\)](#) (Branch equivalent tax accounts of consolidated BETA groups)

consolidated FDWP group is defined in [section MP 46\(1\)](#) (FDWP accounts of consolidated FDWP groups)

excess tax payment, for a company at a time, means the amount at the time by which a payment made by or on behalf of the company to the Commissioner for income tax or provisional tax is more than the liability at the time of the company to pay income tax and provisional tax

FDWP means a foreign dividend withholding payment required under [section NH 1\(1\)](#) (Liability to make deduction in respect of foreign withholding payment dividend) to be deducted from a dividend derived from a non-resident company

FDWP account means a memorandum account maintained under [section MC 1\(2\)](#) (General rules for companies with FDWP accounts) by an FDWP company or by a consolidated group

FDWP company means a company that chooses under [section MC 1](#) (General rules for companies with FDWP accounts) to maintain an FDWP account

FDWP credit is a credit referred to in [section MA 5\(3\)](#) (Credits)

FDWP debit is a debit referred to in [section MA 6\(3\)](#) (Debits)

FDWP ratio means the ratio set out in [section MC 24](#) (FDWP credits attached to dividends)

FDWP reference period is defined in [section MC 32](#) (Meaning of FDWP reference period)

ICA company is defined in [section MB 1\(1\)](#) (General rules for companies with imputation credit accounts)

imputation credit—

- (a) means a credit referred to in [section MA 5\(2\)](#) (Credits):
- (b) is further defined in [section CD 10\(4\)](#) (Certain dividends not increased by tax credits) for the purposes of that section

imputation debit is a debit referred to in [section MA 6\(2\)](#) (Debits)

imputation ratio means the ratio set out in [section MB 55](#) (Imputation credits attached to dividends)

Maori authority credit, for a distribution by a Maori authority, means—

- (a) a credit referred to in [section MA 5\(8\)](#) (Credits):
- (b) the amount treated as being attached to the distribution under [section NF 8A](#) (Resident withholding tax deductions from distributions treated as Maori authority credits)

Maori authority credit ratio means the ratio set out in [section MK 19](#) (Maori authority credits attached to dividends)

Maori authority debit is a debit referred to in [section MA 6\(8\)](#) (Debits)

maximum deficit debit is defined in [section MC 33](#) (Meaning of maximum deficit debit) for the purposes of [section MC 20](#) (FDWPA breach of FDWP ratio by PCA company)

memorandum account means an account listed in [section MA 2\(1\)](#)

on-market cancellation *amended by adding:*

and includes an acquisition of the company's shares on the recognised exchange that is undertaken by an associated person under an arrangement for the associate to acquire the shares in lieu of the company

policyholder credit is a credit referred to in [section MA 5\(7\)](#) (Credits)

policyholder debit is a debit referred to in [section MA 6\(7\)](#) (Debits)

policyholder FDWP ratio is defined in [section MC 34](#) (Meaning of policyholder FDWP ratio)

pre-imputation income year means an income year that started before the 1987-88 income year

reduced deficit debit is defined in [section MC 35](#) (Meaning of reduced deficit debit) for the purposes of [section MC 20](#) (FDWPA breach of FDWP ratio by PCA company)

shareholder FDWP ratio is defined in [section MC 36](#) (Meaning of shareholder FDWP ratio)

ultimate owner of a company means a person—

- (a) who has an ownership interest in the company calculated under [section FG 2](#) (Entities to which interest deduction rules potentially apply); and
- (b) in whom no ownership interest, as calculated under [section FG 2](#), is held by a person who holds an ownership interest in the company of 50% or more

Definitions omitted from section OB 1:

base ratio

benchmark dividend imputation ratio

imputation year

supplementary available subscribed capital account

Consequential amendments to other Parts

CD 5 When is a transfer caused by a shareholding relationship? *Add*

Relationship with sections DV 14 and HF 1

- (5) For the purposes of [subsections \(3\)\(b\) and \(4\)\(b\)](#), [section HF 1](#) (Profits of mutual associations in respect of transactions with members) is not overridden by [section DV 14](#) (Statutory producer boards and co-operative companies).

DV 14 Statutory producer boards and co-operative companies

When this section applies

- (1) This section applies for the purposes of [sections MB 66 and MB 71](#) (which relate to imputation credits attached to cash distributions by statutory producer boards and co-operative companies) when a producer board or co-operative company chooses to treat a distribution as a dividend.

No deduction

- (2) The producer board or co-operative company making the distribution is denied a deduction for the amount of the distribution.

Link with subpart DA

- (3) This section overrides the general permission.

Defined in this Act: amount, co-operative company, deduction, general permission, imputation credit, statutory producer board

Origin: 2004 No 35 ss ME 30, ME 36

MB 9B When company leaves wholly-owned group

Election

- (1) A company that is eligible to choose under [section MB 64](#) (Additional income tax on leaving wholly-owned group) to be liable for additional income tax upon leaving a wholly-owned group of companies may choose the person who is to be treated as having paid provisional tax or income tax.

Amount

- (2) The election in [subsection \(1\)](#) may be made for an amount determined under [section MB 64\(5\)](#).

Tax paid

- (3) The company may choose that the amount referred to in [subsection \(2\)](#) is treated as a payment of provisional tax or income tax by a company in the wholly-owned group of which the company is no longer part.

Effect on the company

- (4) When an election is made under this section, the amount referred to in [subsection \(3\)](#), ceases to be treated as a payment of provisional tax or income tax by the company.

Form of election

- (5) An election under this section must follow the form of an election under [section MB 13\(4\)](#) (ICA debit balance on leaving wholly-owned group).

Defined in this Act: amount, company, income tax, pay, provisional tax, wholly-owned group

Origin: 2004 No 35 s ME 9B(4), (5)