**TABLE ILLUSTRATING HOW TAX WORKING GROUP (TWG) RECOMMENDATIONS ARE REFLECTED ON THE REFRESHED TPWP**

**ATTACHMENT 4**

In its response to the recommendations of the TWG, the Government indicated that it would consider 10 recommendations as high priority items for potential inclusion on the TPWP, and 28 recommendations as items to be considered for inclusion. The following table provides a breakdown of how these recommendations have been reflected on the proposed TPWP.

**Table key:**

Consider for inclusion on 2019/2020 TPWP

Consider as a high priority for inclusion on 2019/2020 TPWP

|  |  |
| --- | --- |
| **TWG recommendations** | **How it is reflected on the TPWP** |
| Land recommendations (including options around investment property and speculators, land-bankers and vacant land)  *Recs 96 and 97 – Vacant land and land banking, including Productivity Commission review*  *Rec 98 – repeal 10-year rule*  *Rec 99 – IRD numbers when transferring main home*  *Note also Government indicated that it intended to seek a review of current rules relating to land speculators.* | Included in the TPWP work on land. |
| TWG recommendations on “concessions” and exemptions  *Rec 17 – tax deductibility of costs associated with QEII covenant or Ngā Whenua Rāhui*  *Rec 18 – FBT exemption for public transport*  *Rec 19 – removing concessions harmful to natural capital*  *Rec 38 – New Zealand Superannuation Fund exemption* | Concessions and exemptions included in general work on tax exemptions on the TPWP.  Recommendation 19 relating to tax concessions for petroleum mining included in environment/sustainable economy work on TPWP. |
| Environmental recommendations  *Recs 5, 20 to 24 – recommendations relating to the environment.* | Included in the environment/ sustainable economy work on TPWP, generally as a watching brief and working closely with Ministry for the Environment. |
| Business recommendations (including Māori authority rates, loss continuity and loss trading rules, blackhole expenditure, depreciation, seismic strengthening, GST contractors, closely-held company issues, and improving collection and compliance).  *Recs 30 and 31 – Māori authority rates*  *Rec 32 – loss continuity*  *Rec 33 blackhole expenditure*  *Rec 34 – depreciation and seismic strengthening*  *Rec 35 – tax measures that encourage building to higher environmental standards*  *Rec 37 – options to reduce compliance costs*  *Rec 57 – GST and contractors*  *Rec 60 – loss trading and loss continuity review*  *Rec 61 and 66 – closely-held company issues*  *Rec 64 – measures to improve collection and encourage compliance*  *Rec 67 – ensuring the integrity of the tax system is maintained by exploring options around misalignment of tax rates*  *Rec 74 – tax disputes* | Included in the work on the TPWP for businesses. |
| Infrastructure recommendation  *Recommendation 36* | Included in the work on infrastructure on TPWP. |
| Retirement savings recommendations  *Rec 43 – KiwiSaver*  *Rec 44 – PIE rates simplification* | Specific TWG recommendations on retirement savings not prioritised on the TPWP. However, opportunities from Business Transformation (BT) to improve social policy, including ways to simplify PIE rates (rec 44) included in BT work on the TPWP. |
| Tax secrecy and transparency recommendations  *Rec 68 – research and surveys*  *Rec 69 – measures to increase transparency*  *Rec 70 – Inland Revenue publishing broader range of statistics*  *Rec 71 – Inland Revenue information collection* | Included in the information collection and use work on TPWP. |
| Charities recommendations  *Recommendations 84 and 85* | Included in the charities work on the TPWP, and is closely connected to work by the Department of Internal Affairs. |