**Cabinet Legislation Committee**

**Minute of Decision**

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**Taxation (Use of Money Interest Rates) Amendment Regulations 2019**

**Portfolio Revenue**

On 25 June 2019, the Cabinet Legislation Committee:

1. **agreed** that the use-of-money interest underpayment rate be changed to 8.35 percent from

8.22 percent;

1. **agreed** that the use-of-money interest overpayment rate be changed to 0.81 percent from

1.02 percent;

1. **agreed** that the Taxation (Use of Money Interest Rates) Amendment Regulations 2019 give effect to the new rates referred to in paragraphs 1 and 2 above;
2. **agreed** that the Taxation (Use of Money Interest Rates) Amendment Regulations 2019 come into force on 29 August 2019;
3. **noted** the following changes as a result of the decision in paragraphs 1 and 2 above, with a corresponding impact on the operating balance:

|  |  |
| --- | --- |
|  | **$ millions increase / (decrease)** |
| **Vote Revenue Minister of Revenue** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23 &****Outyears** |
| Crown Revenue and Receipts:Tax Revenue | - | 9.000 | 10.000 | 10.000 | 10.000 |
| **Total Operating** | - | **9.000** | **10.000** | **10.000** | **10.000** |

1. **approved** the following forecast change in appropriations for Non-Departmental Other Expenses, as a result of the decision in paragraphs 1 and 2, with a corresponding impact on the operating balance:

|  |  |
| --- | --- |
|  | **$ millions increase / (decrease)** |
| **Vote Revenue Minister of Revenue** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23 &****Outyears** |
| Non-Departmental Other Expense: Impairment of debt and debt write-offs (funded by RevenueCrown) | - | 3.000 | 3.000 | 3.000 | 3.000 |
| **Total Operating** | - | **3.000** | **3.000** | **3.000** | **3.000** |

1. **authorised** the submission to the Executive Council of the Taxation (Use of Money Interest Rates) Amendment Regulations 2019 [PCO 22181/2.0].

Vivien Meek Committee Secretary

**Present: Officials present from:**

Rt Hon Winston Peters Hon Andrew Little Hon Stuart Nash

Hon Iain Lees-Galloway (Chair) Hon Tracey Martin

Hon Eugenie Sage

Hon Ruth Dyson (Senior Government Whip)

Office of the Prime Minister Officials Committee for LEG

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Minister of Revenue