



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;
- 2 **agreed** that the use-of-money interest overpayment rate be changed to 0.81 percent from 1.02 percent;
- 3 **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;
- 4 **agreed** that the Taxation (Use of Money Interest Rates) Amendment Regulations 2019 come into force on 29 August 2019.
- 5 **noted** the following changes as a result of the decision in paragraphs 1 and 2 above, with a corresponding impact on the operating balance:

Vote Revenue Minister of Revenue	\$ millions increase / (decrease)				
	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

- 6 **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:

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

- 7 **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:

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)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

Hard-copy distribution:

Minister of Revenue