

POLICY AND REGULATORY STEWARDSHIP

Tax policy report: Draft Cabinet Paper – Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021

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| Date: | 23 March 2021 | Priority: | Medium |
| Security level: | In Confidence | Report number: | IR2021/129 |

Action sought

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|  | Action sought | Deadline |
| Minister of Revenue | **Agree** to recommendations  **Authorise** the lodgement of the attached Cabinet paper | 10am Thursday  8 April 2021 |

Contact for telephone discussion (if required)

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| --- | --- | --- |
| Name | Position | Telephone |
| Chris Gillion | Policy Lead | s 9(2)(a) |
| Haydn Clark | Principal Policy Advisor | s 9(2)(a) |

23 March 2021

Minister of Revenue

Draft Cabinet Paper – Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021

## Purpose

1. This report asks you to approve and lodge the attached draft Cabinet paper with the Cabinet Office by 10am Thursday 8 April 2021 for consideration at the Cabinet Legislation Committee meeting on 15 April 2021.
2. The Cabinet paper seeks the Cabinet Legislation Committee’s agreement to submit the Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021 to the Executive Council.
3. This Order excludes from the definition of accommodation in the employment income rules, accommodation that is provided for the purpose of enabling an employee to isolate due to the risk of the outbreak or spread of COVID-19. Accommodation that is provided for this purpose will, as a result, not be treated as employment income and be exempt from tax.
4. You agreed to the recommendation in our report *Order in Council: Temporary accommodation provided to employees to manage the risk of COVID-19 transmission* dated 23 February 2021 (IR2021/072 refers) that this new exclusion be added to the definition of accommodation.

## Next steps

1. Enclosed is a draft Order. The Parliamentary Counsel Office will provide the final Income Tax (Employment Income—Meaning of Accommodation) Regulations 2021 for the Cabinet Legislation Committee meeting on 15 April 2021.
2. We will provide you with speaking notes for the Cabinet Legislation Committee meeting.

# Recommended action

We recommend that you:

1. **note** the contents of this report and the attached Cabinet paper;

Noted

1. **sign and refer** the Cabinet paper to the Cabinet Office by 10am Thursday 8 April 2021.

Signed and referred/Not signed or referred

**Haydn Clark**

Principal Policy Advisor

Policy and Regulatory Stewardship

**Hon David Parker**

Minister of Revenue

/ /2021