



POLICY AND STRATEGY

Tax policy report: Draft Cabinet paper – Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill: Approval for introduction

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|------------------------|------------------|-----------------------|------------|
| Date: | 10 November 2021 | Priority: | High |
| Security level: | In Confidence | Report number: | IR2021/543 |

Action sought

| | Action sought | Deadline |
|---------------------|---|-------------------------|
| Minister of Revenue | Agree to recommendations Authorise the lodgement of the attached Cabinet paper | 10 am, 11 November 2021 |

Contact for telephone discussion (if required)

| Name | Position | Telephone |
|-----------------|-----------------|------------------|
| Maraina Hak | Policy Lead | s 9(2)(a) |
| Philip Marshall | Bill Manager | |

10 November 2021

Minister of Revenue

Draft Cabinet paper –Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill: Approval for introduction

1. This report asks you to approve and lodge the attached Cabinet paper, the draft legislation and draft disclosure statement with the Cabinet Office by 10am Thursday 11 November 2021 for consideration at the Cabinet Legislation Committee meeting on 18 November 2021.
2. The Cabinet paper seeks approval to introduce the Taxation (COVID-19 Support Payments and Working for Families Tax Credits) Bill (the Bill) on 23 November 2021. It is recommended that the Bill be passed under urgency by 1 December 2022 to comply with legislative timeframes for the CPI indexation and Minimum Family Tax Credit increases, and to give Inland Revenue sufficient time to effect the Family Tax Credit and abatement rate changes by 1 April 2022.
3. A draft disclosure statement is attached to accompany the Cabinet paper in accordance with Cabinet guidelines. The draft disclosure statement is referred to Cabinet along with the Cabinet paper. The draft statement is finalised by Inland Revenue with the Parliamentary Counsel Office three days before the introduction of the Bill and is made public when the Bill is introduced.
4. The Bill contains the items listed below.

Policy items approved by Cabinet

- COVID-19 support payment framework (CAB-21-MIN-0459 refers).
- Working for Families tax credit settings (CAB-21-MIN-0457 refers)

Legislative approval already given for COVID-19 support payments framework

5. At the same time Cabinet gave policy approval for the COVID-19 support payments framework item, Cabinet also agreed to:
 - 5.1 authorise the Minister of Finance and the Minister of Revenue to make decisions on the detailed design of the amendments required to implement the COVID-19 support payment framework; and
 - 5.2 authorise the Minister of Revenue, in consultation with the Leader of the House, to introduce a Bill under urgency on 23 November 2021 containing the amendments required to implement the COVID-19 Support Payments framework.

(CAB-21-MIN-0459 at refers)
6. Accordingly, although the Bill includes the COVID-19 support payments framework amendments, the attached Cabinet paper seeks legislative approval in relation to the Working for Families tax credit amendments contained in the Bill only.

Support party and caucus consultation

7. We recommend that the Bill is introduced on 23 November 2021, the day after Cabinet will meet to give approval for its introduction. To achieve this, support party and caucus consultation will need to occur in advance of Cabinet's final decision.

Recommended action

We recommend that you:

8. **note** the contents of this report, attached Cabinet paper, draft legislation, and draft disclosure statement;

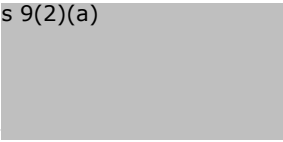
Noted

9. **sign** and **refer** the Cabinet paper, to the Cabinet Office by 10 am Thursday 11 November 2021.

Signed and referred/Not signed and referred

Maraina Hak
Policy Lead
Policy and Strategy

s 9(2)(a)



Hon David Parker
Minister of Revenue
/ /2021