



## POLICY AND REGULATORY STEWARDSHIP

**Tax policy report: Extending the COVID-19 information sharing power**

<b>Date:</b>	2 February 2022	<b>Priority:</b>	High
<b>Security level:</b>	In Confidence	<b>Report number:</b>	IR2022/039

### Action sought

	<b>Action sought</b>	<b>Deadline</b>
Minister of Revenue	<b>Agree</b> to recommendations <b>Authorise</b> drafting instructions to be issued to the Parliamentary Counsel Office	8 February 2022

### Contact for telephone discussion (if required)

<b>Name</b>	<b>Position</b>	<b>Telephone</b>
Carolyn Elliott	Policy Lead	s 9(2)(a) [REDACTED] [REDACTED]
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02 February 2022

Minister of Revenue

## **Extending the COVID-19 information sharing power**

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### **Purpose**

1. This report seeks your agreement to extend the current time limit on sharing information with other agencies for COVID-19 related activities to when the open-ended time limit comes into place.
2. This report also seeks your authority for Inland Revenue to provide drafting instructions to the Parliamentary Counsel Office to draft an Order in Council to extend the current information-sharing time limit on COVID-19 related activities to the 31 March 2022.

### **Background**

3. In March 2020, the *COVID-19 Response (Taxation and Social Assistance Urgent Measures) Act 2020* introduced several urgent powers to enable government agencies to respond to the COVID-19 crisis.
4. These powers were related to the delivery of several key projects designed to support New Zealanders through the economic uncertainty that the pandemic introduced. Inland Revenue administered several of these initiatives as well as supporting other agencies in the delivery of their own projects. For this work to be possible, Inland Revenue needed to share information with other agencies.
5. Tax legislation requires Inland Revenue staff to keep taxpayer information confidential unless a specific legislative exception authorises the disclosure. There are several existing exceptions in tax legislation enabling Inland Revenue to share information with other agencies.<sup>1</sup>
6. Inland Revenue did not have any existing information sharing arrangements, or found the existing arrangements were not flexible enough, to allow the required COVID-19 response sharing to occur with several relevant agencies. Consequently, an emergency provision was introduced to the *Tax Administration Act 1994* that enabled Inland Revenue to share information with other agencies for the delivery of COVID-19 specific initiatives.<sup>2</sup>
7. The information sharing provision includes a time limit, meaning it ceases to be in effect once 24 months have passed from the date of the clause commencing. The provision is currently due to expire on 17 March 2022. This time limit can be extended by Order in Council which must be made before the expiry of the 24-month period and requires the recommendation of the Minister of Revenue. This allows the Government to continue sharing information, if required, in response to COVID-19 after the initial two-year period.
8. The current information-sharing time limit is due to be removed on 31 March 2022 (IR2021/220 refers). An extension of the current time limit is required to ensure the sharing of information with other agencies for COVID-19 related activities can

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<sup>1</sup> Other agencies do not have equivalent requirements around secrecy, they share information with Inland Revenue under the Privacy Act 1993.

<sup>2</sup> Schedule 7, clause 23B. These agencies are all Government departments, the New Zealand Police, the Accident Compensation Corporation, Kāinga Ora—Homes and Communities and Callaghan Innovation.

continue between the end of the 24-month time period (17 March) and the start of the open-ended time limit (31 March).

### Consultation

9. The Treasury has been informed on the contents of this report.

### Next steps

10. Subject to your agreement, officials will issue a drafting instruction to the Parliamentary Counsel Office to draft an Order in Council that gives effect to this extension.
11. Officials will report to you with a draft Cabinet paper and a copy of the draft Order in Council to be considered at the Cabinet Legislation Committee on 10 March 2022. This will allow for consideration by Cabinet on 14 March 2022 and submission to Executive Council on the same day.
12. Assuming a waiver of the 28-day rule for Orders in Council to come into force, the Order in Council will be given effect before the current expiry date of 17 March 2022.

### Recommended action

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We recommend that you:

13. **agree** to extend the current time limit on information-sharing with other agencies for COVID-19 related activities to 31 March 2022, until the removal of this time limit comes into place.

Agreed/Not agreed

14. **authorise** Inland Revenue to issue a drafting instruction to the Parliamentary Counsel Office to draft an Order in Council that gives effect to this extension.

Authorised

s 9(2)(a)

**Carolyn Elliott**

Policy Lead

Policy and Regulatory Stewardship

**Hon David Parker**

Minister of Revenue

/ /2022

