

Hon Simon Watts, Minister of Revenue

Information Release

Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024

October 2024

Availability

This information release is available on Inland Revenue's tax policy website at <https://www.taxpolicy.ird.govt.nz/publications/2024/ir-leg-24-sub-0161>

Documents in this information release

#	Reference	Type	Title	Date
01	N/A	Cabinet Paper	Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024	22 August 2024
02	LEG-24-MIN-0161	Minute	Cabinet Legislation Committee - Minute of Decision - Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024	22 August 2024
03	CAB-24-MIN-0320	Minute	Cabinet Minute of Decision - Report of the Cabinet Legislation Committee: Period ended 23 August 2024	26 August 2024

Additional information

The Cabinet paper was considered by the Cabinet Legislation Committee on 22 August 2024 and confirmed by Cabinet on 26 August 2024. The Order in Council was published in the Gazette on 29 October 2024.

One attachment to the Cabinet paper is not included in this information release as it is publicly available:

- [Tax Administration \(Direct Credit of FamilyBoost Tax Credit\) Order 2024](#)

Information withheld

No information was withheld for this information release.

Accessibility

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In Confidence

Office of the Minister for Revenue
Chair, Cabinet Legislation Committee

Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024

Proposal

- 1 This paper seeks Cabinet authorisation for the submission to the Executive Council of the attached Order in Council. The Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024 will authorise Inland Revenue to direct credit FamilyBoost tax credit payments to parents' bank accounts on and from 1 October 2024.

Policy

- 2 The FamilyBoost tax credit legislation was passed under urgency as part of the wider Budget 2024 tax changes. The payment will support low-to-middle income families via quarterly payments linked to a portion of their early childhood education costs. The first payment can be claimed by parents and caregivers from 1 October 2024, for the period 1 July – 30 September 2024 [CAB-24-MIN-0089]. Payments would be made direct to parents and caregivers' bank accounts.
- 3 In order for Inland Revenue to make a FamilyBoost payment to a taxpayer's nominated bank account, an Order in Council is required that specifies the date from which refunds can be made. This is a routine requirement that has existed since 1999 under section 184B of the Tax Administration Act 1994 and does not require any new policy decisions.

Timing and 28-day rule

- 4 Section 184B requires an order to be in effect that specifies the date from which a refund via direct credit may occur.
- 5 The first FamilyBoost payment is due to be made on 1 October 2024, with the bulk of payments expected to occur within October¹. I therefore recommend that this date for making direct credit payments is set, and the direct credit payment is authorised, for the period on and from 1 October 2024.
- 6 If approved, the Order in Council will be submitted to the Executive Council for consideration on 26 August 2024 and published in the New Zealand Gazette the following Thursday. It will take effect from 1 October 2024.

¹ Parents and caregivers have up to four years to submit an application, but most applications and payments are expected to occur in the month after the end of each quarter.

Compliance

- 7 The order complies with the following:
- 7.1 the principles of the Treaty of Waitangi;
 - 7.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 7.3 the principles and guidelines set out in the Privacy Act 2020;
 - 7.4 relevant international standards and obligations; and
 - 7.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

- 8 There are no grounds for the Regulations Review Committee to draw the Order in Council to the attention of the House.

Certification by Parliamentary Counsel

- 9 The Parliamentary Counsel Office has certified that the attached Order in Council is in order for submission to Cabinet.

Impact Analysis

- 10 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it provides solely for the commencement of existing legislation or legislative provisions.
- 11 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Publicity

- 12 No steps will be taken to publicise the outcome of this Order in Council specifically. There are FamilyBoost public communications concerning the application and payment process planned for September and October.

Proactive release

- 13 I propose to proactively release this Cabinet paper, associated minutes, and key advice papers within 30 working days of Cabinet making final decisions, subject to the provisions of the Official Information Act 1982.

Consultation

- 14 The Treasury has been informed of this paper.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that on 20 March 2024, the Cabinet Economic Policy Committee agreed to make FamilyBoost tax credit payments from 1 October 2024 [ECO-24-MIN-0033 refers];
- 2 **note** that the Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024 allows FamilyBoost tax credit payments to be refunded by direct credit on and from 1 October 2024, giving effect to the decisions referred to in paragraph 1 above;
- 3 **authorise** the submission to the Executive Council of the Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024.

Authorised for lodgement

Hon Simon Watts

Minister for Revenue



Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024

Portfolio **Revenue**

On 22 August 2024, the Cabinet Legislation Committee:

- 1 **noted** that, in March 2024, the Cabinet Economic Policy Committee agreed to make FamilyBoost tax credit payments from 1 October 2024 [ECO-24-MIN-0033];
- 2 **noted** that the Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024 allows FamilyBoost tax credit payments to be refunded by direct credit on and from 1 October 2024, giving effect to the decision in paragraph 1 above;
- 3 **authorised** the submission to the Executive Council of the Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024 [PCO 26614/6.0].

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Bishop (Chair)
Hon Judith Collins KC
Hon Mark Mitchell
Hon Brooke van Velden
Hon Tama Potaka
Hon Casey Costello
Hon Nicole McKee
Hon Simon Watts
Hon Andrew Bayly
Hon Scott Simpson, MP
Jamie Arbuckle, MP

Officials present from:

Official's Committee for LEG
Prime Minister's Office



Cabinet

Minute of Decision

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Report of the Cabinet Legislation Committee: Period Ended 23 August 2024

On 26 August 2024, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 23 August 2024:

Not in scope	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
LEG-24-MIN-0161	Tax Administration (Direct Credit of FamilyBoost Tax Credit) Order 2024 Portfolio: Revenue	CONFIRMED
Not in scope	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Not in scope



Rachel Hayward
Secretary of the Cabinet