

Government Tax and Social Policy Work Programme

The Work Programme's overarching priorities are simplifying tax and reducing compliance costs, addressing integrity risks, and improving fiscal sustainability, in order to rebuild the economy.

The Government is committed to transparency through public engagement on the design of tax policy via the Generic Tax Policy Process. Public consultation plays an important role in creating and sustaining a durable and widely accepted tax system.

The Work Programme covers the following workstreams:

- **Economic growth and productivity:** this workstream promotes building a stronger and resilient economy by minimising biases on economic decisions, reducing compliance costs, and rewarding effort and individuals' investment in their own skills.
- **Integrity of the tax system:** this workstream protects against tax avoidance and evasion to maintain a stable and predictable tax system.
- **Modernising the tax system:** this workstream ensures the tax system is regularly maintained and updated in response to changing technology, business practices, jurisprudence, or other factors.
- **Strengthening international connections:** this workstream fulfils New Zealand's international obligations with other tax jurisdictions (and as an OECD member) and includes projects that respond to shifts in the global economy, such as increased cross-border activity.
- **Social policy:** this workstream involves improving the delivery of income support payments administered through the tax system and increasing work incentives.
- **Other agency work:** this workstream involves other agency work that aligns with Government priorities that may have tax consequences or Inland Revenue delivery implications.

It is intended that the Work Programme be updated periodically to reflect the Government's current priorities. This is the latest version of the Work Programme as at November 2024.

Economic growth and productivity

- Improvements to the employee share scheme regime, including a threshold increase for exempt schemes *
- Generic response measures for emergency events *
- Exploring compliance cost reductions, including improving tax compliance for small businesses
- Fringe Benefit Tax review
- Reviewing thin capitalisation settings for infrastructure
- Reviewing the Foreign Investment Fund tax rules
- Supporting the transition to digital tax administration for tax intermediaries
- Reviewing the GST rules for joint ventures
- Simplifying tax compliance for Māori authorities
- Work to find a multilateral solution to the challenges the digital economy poses to international taxation (OECD Pillar 1 and Pillar 2 work)

Modernising the tax system

- Reviewing exempting the New Zealand Superannuation Fund from income tax
- Reviewing the Commissioner's power to collect information for policy purposes
- Donee status for overseas focused organisations (schedule 32)
- Remedial work programme

Social policy

- Easing opting-in to KiwiSaver for children under 16 *
- Ongoing FamilyBoost improvements

Integrity of the tax system

- Clarifying that banks and licenced deposit takers cannot be PIEs and that non-eligible income cannot be transferred into a PIE using related party interest payments *
- Implementation of the Crypto-asset Reporting Framework *
- Trust disclosures post-implementation review
- Policy options to support wider Inland Revenue compliance work and reduce tax debt
- Reviewing elements of charities and not-for-profits
- Clarifying the income tax treatment of software development expenditure

Strengthening international connections

- Simplification of the Approved Issuer Levy reporting, including retrospective registration *
- Inwards pension transfers and locked-in KiwiSaver changes *
- Simplifying the tax rules for non-resident contractors
- Double tax agreement negotiations

Other agency work

- Approved information sharing agreement with MBIE
- Student loans – final year fees free and overseas-based borrower settings
- Local Water Done Well project
- Treaty of Waitangi settlements
- Supporting all-of-Government response to organised crime
- Other ministerial priorities as they arise

* Items included in the Taxation (Annual Rates for 2024-25, Emergency Response, and Remedial Measures) Bill