

Vote Revenue

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Revenue (M57)

ADMINISTERING DEPARTMENT: Inland Revenue Department

MINISTER RESPONSIBLE FOR INLAND REVENUE DEPARTMENT: Minister of Revenue

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2009/10		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Management of Debt and Outstanding Returns (M57) Taking action where returns are outstanding and where payments are overdue, including providing people with assistance on the actions they need to take to meet their obligations. This includes collection on behalf of other agencies and external parties.	89,419	1,911	91,330
Policy Advice (M57) Advising on all aspects of tax policy and social policy measures that interact with the tax system. Drafting related legislation. Negotiating and maintaining New Zealand's network of double tax agreements with other countries. Forecasting tax revenues and providing ministerial services.	13,565	1,902	15,467
Services to Inform the Public About Entitlements and Meeting Obligations (M57) Providing information and assistance to customers on the application of the law. Responding to customer enquiries about tax and social support programmes. Adjudication on behalf of the Commissioner on proposed taxpayer assessments. Providing binding rulings and other statements on the interpretation and application of the law administered by Inland Revenue.	234,284	6,968	241,252
Services to Process Obligations and Entitlements (M57) Registering tax payers, making tax assessments, assessing child support liabilities including providing a readily accessible inexpensive process for reviewing assessments, receiving and making payments to customers, processing applications and payments for social support programmes, collection of ACC Earners' levies, supplying information to other government agencies and accounting and reporting the collection of Crown revenue.	120,217	3,314	123,531
Taxpayer Audit (M57) Identifying risks to revenue and designing and undertaking audit activities accordingly. Managing litigation of disputed tax cases.	169,513	1,627	171,140
Total Departmental Output Expenses	626,998	15,722	642,720
Benefits and Other Unrequited Expenses			
Child Support Payments PLA (M57) Child support payments to custodial persons who are not dependent on the state for financial support (expenses incurred pursuant to section 141 of the Child Support Act 1991).	207,480	7,520	215,000
Child Tax Credit PLA (M57) Extra assistance for low to middle income families who are not dependent on the state for financial support (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	3,100	1,000	4,100
Family Tax Credit PLA (M57) Family Support payments made to beneficiaries and non-beneficiaries during the year (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	2,147,800	43,300	2,191,100
In-Work Tax Credit PLA (M57) Extra assistance for low to middle income families where the person works a minimum of 20 hours per week and does not have a partner, or a person and their partner work a minimum of 30 hours per week (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	577,600	26,400	604,000

	2009/10		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
KiwiSaver: Fee Subsidy (M57) To enable the payment of a fee subsidy to members for provider fees as set out in the KiwiSaver Act 2006.	7,000	(1,000)	6,000
KiwiSaver: Interest (M57) To enable the payment of interest on KiwiSaver contributions as set out in the KiwiSaver Act 2006.	10,000	(4,000)	6,000
KiwiSaver: Kickstart Payment (M57) To enable the one-off payment made on opening a KiwiSaver account for members who meet the required eligibility criteria as set in the KiwiSaver Act 2006.	138,000	239,000	377,000
KiwiSaver: Member Tax Credit (M57) To enable the payment of a tax credit to KiwiSaver members as set out in the Income Tax Act 2007.	764,000	(108,000)	656,000
Minimum Family Tax Credit PLA (M57) Extra payment made to families where at least one parent is working for salary or wages (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	10,500	(1,500)	9,000
Paid Parental Leave Payments PLA (M57) Paid Parental Leave Payments made to parents eligible under the Parental Leave and Employment Protection Act 1987.	149,900	4,000	153,900
Parental Tax Credit PLA (M57) To enable payment of additional financial support to be made to working families for the eight week period following the birth of a child (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	21,000	(200)	20,800
Payroll Subsidy (M57) To enable the payment of a subsidy to a payroll agent undertaking employers' payroll-related tax compliance activities on their behalf.	2,000	(500)	1,500
Research and Development Tax Credit (M57) This appropriation is limited to tax credits to businesses that are undertaking research and development.	7,000	(7,000)	-
Total Benefits and Other Unrequited Expenses	4,045,380	199,020	4,244,400
Non-Departmental Borrowing Expenses			
Adverse Event Interest PLA (M57) This appropriation is limited to interest on Adverse Event Income Equalisation Reserve accounts held by taxpayers in the farming and agriculture business (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	10	-	10
Environmental Restoration Account Interest PLA (M57) This appropriation is limited to interest on Environmental Restoration accounts (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	1,500	500	2,000
Income Equalisation Interest PLA (M57) This appropriation is limited to interest on Income Equalisation Reserve Scheme accounts held by taxpayers in the farming, fishing or forestry industries (expenses incurred pursuant to section 185 of the Tax Administration Act 1994).	2,000	5,000	7,000
Total Non-Departmental Borrowing Expenses	3,510	5,500	9,010

	2009/10		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Non-Departmental Other Expenses			
General Tax and Family Support Bad Debt Write-Offs (M57)	660,000	140,000	800,000
This appropriation is limited to bad debt write-offs for Crown debt administered by Inland Revenue.			
Impairment of Debt Relating to Child Support (M57)	164,430	180,570	345,000
This appropriation is limited to amounts relating to impairment arising from objective evidence of one or more loss events that occurred after the initial recognition of the debt, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the collective book of child support debt.			
Impairment of Debt Relating to General Tax and Family Support (M57)	165,375	121,625	287,000
This appropriation is limited to amounts relating to impairment arising from objective evidence of one or more loss events that occurred after the initial recognition of the debt, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the Crown debt book.			
Impairment of Debt Relating to Student Loans (M57)	50,000	229,489	279,489
This appropriation is limited to amounts relating to impairment arising from objective evidence of one or more loss events that occurred after the initial recognition of the loan, and the loss event (or events) has had a reliably measurable impact on the estimated future cash flows of the collective book of student loan debt.			
Total Non-Departmental Other Expenses	1,039,805	671,684	1,711,489
Departmental Capital Expenditure			
Inland Revenue Department - Capital Expenditure PLA (M57)	76,300	4,143	80,443
This appropriation is limited to the purchase or development of assets by and for the use of the Inland Revenue Department, as authorised by section 24(1) of the Public Finance Act 1989.			
Total Departmental Capital Expenditure	76,300	4,143	80,443
Total Annual and Permanent Appropriations	5,791,993	896,069	6,688,062

Details of Projected Movements in Departmental Net Assets

Inland Revenue Department

Details of Net Asset Schedule	2009/10 Main Estimates Projections \$000	2009/10 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2009/10
Opening Balance	222,419	222,402	Supplementary Estimates opening balance reflects the audited results as at 30 June 2009.
Capital Injections	15,127	21,913	A capital amount of \$6.786 million has been injected since Budget 2009, to fund the student loans redesign project.
Capital Withdrawals	(380)	(3,023)	Capital withdrawals since Budget 2009 total \$2.643 million. An amount of \$1 million, for the student loans voluntary repayment bonus project, was transferred to operating. Amounts of \$1.135 million and \$508,000 were returned to the Crown, relating to the Budget 2009 RWT tax rate changes and to the tax relief for redundancy payments initiatives, respectively.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	237,166	241,292	