

The Treasury

Budget 2013 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Cabinet Economic Growth and Infrastructure Committee

EGI Min (13) 8/12

Copy No: 29

17 APR 2013

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.

Clarifying the Acquisition Date of Land: An Officials' Issues Paper

Portfolio: Revenue

On 17 April 2013, the Cabinet Economic Growth and Infrastructure Committee:

- 1 **noted** that section CB 6 of the Income Tax Act 2007:
 - 1.1 deals with land acquired with the purpose or intention of disposal, and the taxation of income derived from disposal;
 - 1.2 causes considerable uncertainty for taxpayers, their agents and Inland Revenue;
- 2 **noted** that the draft officials' issues paper, *Clarifying the acquisition date of land* (the officials' issues paper), attached to the paper under EGI (13) 69, includes the following key suggestions:
 - 2.1 two possible options for a date of acquisition, based on events/phases of an agreement for the sale and purchase of land – either:
 - 2.1.1 the date the sale and purchase agreement is entered into and the equitable remedy of specific performance in the wide sense (injunction or otherwise) is available; or
 - 2.1.2 the date when all the conditions of the agreement for the sale and purchase of "land" have been fulfilled and the equitable remedy of specific performance in the strict sense is available;
 - 2.2 a legislative amendment that allows for evidence presented before and after the date of acquisition to be considered when determining what the taxpayer's intention was on the date of acquisition;
- 3 **agreed** to the release of the officials' issues paper, subject to any minor or technical amendments that the Minister of Revenue may approve before its release;
- 4 **noted** that the Minister of Revenue proposes to release the officials' issues paper as part of the Budget 2013, in conjunction with the announcement of the continued funding of Inland Revenue's property compliance package;

- 5 **noted** that the Minister of Revenue will issue a media statement to announce the release of the officials' issues paper.

Janine Harvey
Committee Secretary

Reference: EGI (13) 69
