

The Treasury

Budget 2015 Information Release

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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] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [5] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [6] 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.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

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, a [4] appearing where information has been withheld in a release document refers to section 9(2)(a).

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

Pre-Cab Briefing – 11 May 2015

Papers for Cabinet Consideration

Item	Title	
Description and analysis	Fiscal implications	Treasury Recommendation
[14]		
10	Taxes and Housing	
<p>Cabinet is being asked to agree to two changes to support tax compliance from housing activity.</p> <p>The first change is an amendment to the Land Transfer Act 1952 that would mandate LINZ to collect IRD numbers, and foreign tax identification numbers (for non-residents) of buyers and sellers of real property. This would be enacted under urgent legislation on Budget day. Cabinet is asked to choose between two possible effective dates – from 1 September 2015 (when an integrated electronic LINZ system will be in place), or from 1 July 2015 (when an interim manual collection system will be in place until 1 September). Although a start date of 1 September 2015 would enable a more efficient system to operate, an earlier date (1 July) is also possible and would minimise the risk of non-residents rushing to buy property in advance of the new rules coming into effect.</p> <p>The second change is agreement in principle, announcement, and consultation on amending the Income Tax Act to provide that all taxpayers be taxable on gains from residential investment property that</p>	<p>Implementing the changes to the Land Transfer Act 1952 will require an additional appropriation [8]</p> <p>Adopting the bright-line tax change will raise an estimated \$5 million additional tax revenue each year from 2016/17.</p>	<p>Support changes to the Land Transfer Act 1952.</p> <ul style="list-style-type: none"> Note that the changes could come into effect on either 1 July or 1 September 2015. <p>Support agreement in principle, announcement, and consultation on a bright-line tax regime for residential investment property.</p> <ul style="list-style-type: none"> Support a 1 December 2015 effective date.

is bought and sold within two years (the 'bright-line' tax change). An exception will be for the principal residence. This is intended to supplement the existing tests for determining when property sales are taxable (such as when they are bought for the purpose of resale) with a more objective rule that is easier to apply. Cabinet is being asked to choose between two effective dates for the change – applying to property purchased from the date of introduction of the legislation (in August), or from 1 December 2015. We recommend the later date as it will provide more certainty of the content of the legislation at the time it goes into effect, and would be fully prospective in application.

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