

- Permanent measure
- Applies for the 2020-21 and later income years
- Increases residual income tax threshold to \$5,000 from \$2,500
- Application date of broader refundability rules brought forward to apply from the first year of the R&D Scheme (the 2019-20 income year)
- Removes corporate eligibility and R&D wage intensity criteria
- Replaces the \$255,000 cap with a cap based on labour related taxes
- Intended to enable more businesses to access R&D tax credit refunds
- Companies have option to use year one rules for the 2019-20 year
- Permanent measure
- Applies to non-residential buildings
- Applies from 2020-21 income year
- Rate = 2% DV or 1.5% SL
- Transitional building fit-out rule repealed
- Intended to support cashflow in the near-term, stimulate investment long-term
- Permanent, but with special threshold for 2020 COVID response
- Threshold value for items acquired on or after 17 March 2020 and before 17 March 2021 = \$5,000
- Threshold value for items acquired on or after 17 March = \$1,000
- Intended to decrease short term tax liabilities to assist with cashflow during COVID response
- Note that existing rules relating to acquisition of items at the same time, from the same supplier still apply (ITA 2007 EE 38(1)(f))
- Applies from 17 March 2020 for a period of 2 years, unless extended by Order in Council
- Allows Inland Revenue to share information with other Govt. agencies (such as ACC or Kāinga Ora) to respond to COVID-19
- Intended to enable Govt. to administer COVID-19 assistance and assist in countering fraud claims
- Important to look to the legislation before advising clients who may only have seen Inland Revenue's media release relating to UOMI remission
- Remission is not automatically granted nor guaranteed
- Inserts new section 183ABAB to the Tax Administration Act 1994
- The taxpayer may ask the Commissioner to remit interest accrued after 14 February 2020 owing to failing to make a payment on the due date
- Taxpayer's ability to make a payment must have been significantly adversely affected by COVID-19
- Applies to tax payments due for payment no earlier than 14 February 2020 and the taxpayer is charged interest for failing to make payment
- Commissioner may remit interest if they are satisfied the taxpayer:
 - Asked for relief as soon as practicable; and
 - Made the payment as soon as practicable; and
 - No more than 24 months have passed from the date the section comes into force (unless extended by Order in Council)

Information current as at 9 April 2020. Click the [red arrows](#) to be directed to legislation COVID-19 Response (Taxation and Social Assistance Urgent Measures) Act 2020

For CA ANZ updates and information, go to the [COVID-19 member resource hub](#) or check the [NZ COVID-19](#) Group in MyCA

NZ COVID-19 Tax Measures



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