

When does the business premises exclusion under s CB 19 apply? PUB00316

7 June 2019



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Dear Grant

PUB00316 Income Tax – When does the business premises exclusion under s CB 19 apply?

Thank you for the opportunity to review and comment on the draft Question We've Been Asked (QWBA) explaining when the “business premises” exclusion, s CB 19, applies to land sales taxed under ss CB 6 to CB 11.

We endorse the publication of the QWBA. The draft QWBA is well written, clear and easy to understand.

The only comments we have are relatively minor and these are set out below:

Example 4

It would be helpful to illustrate how a different outcome arises if the building was purchased by a trust and a beneficiary of the trust occupies the upstairs flat. In this case the residential exclusion, s CB 16(1)(b)(ii), would apply to the upstairs flat. The portion of the sale price attributable to the upstairs flat would not be taxable.

Further Example

An additional example, explaining how s CB 19 does not apply when a building is owned by a trust and used by a beneficiary as business premises, would be useful.

Editorial

Paragraph 19, line 2, insert “*be*” after “to”.

Paragraph 19, line 3, insert “*be*” after “to”.

We would be happy to discuss our submission with you.

Yours sincerely



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