



Tax Working Group
Te Awheawhe Tāke

Tax Working Group Information Release

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This paper has been prepared by the Secretariat to the Tax Working Group for consideration by the Tax Working Group.

The advice represents the preliminary views of the Secretariat and does not necessarily represent the views of the whole Group or the Government.

Some papers contain draft suggested text for the Final Report. This text does not constitute the considered views of the Group. Please see the Final Report for the agreed position of the Group.

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

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Final Report – Revised Outline

Volume I: Assessment and recommendations

Foreword

Executive Summary

Part 1: Purposes and frameworks

1. The purposes of tax
2. Frameworks for assessing tax policy

Part 2: An assessment of the tax system

3. The structure, fairness and balance of the tax system
 - Brief recap of the main features of the tax system
 - Key issues: treatment of capital income, and limited use of environmental taxation
 - Opportunities to improve productivity (e.g. incentives for allocation of investment)

Part 3: Recommended directions

4. Improving environmental and ecological outcomes
5. Increasing the fairness, progressivity and efficiency of the tax system
 - Set out main strategic choices and high-level decisions reached by the Group
 - Main focus on treatment of capital income and personal income tax
 - Housing and retirement savings could sit here, or in a separate chapter
6. Building a productive economy
 - Business tax and compliance cost measures

Part 4: Tax reform to support a fairer society and stronger economy

7. Potential packages to improve the structure, fairness and balance of the tax system
8. Other recommendations to improve the tax system
 - Brief summary of recommendations on issues closed in in the Interim Report

Part 5: Concluding thoughts

9. Conclusion

Volume II: Design choices for taxing capital gains

1. Introduction
2. What should be taxed?
 - Included assets
 - Excluded assets
 - Revenue account property
3. How to tax?
 - General principles
 - Administration
 - Social policy
4. When to tax?
 - Realisation versus accrual
 - What is a realisation event?
 - When realisation events will be ignored
 - When realisation events will be deemed to occur
5. Treatment of expenditure
 - General principles
 - Specific rules
 - Entering the tax base
6. Treatment of losses
7. Transitional rules
 - Valuation Day
 - Change of use
 - Migration
8. Who will be taxed?
 - Companies
 - Trusts
 - Partnerships and look-through companies
 - Non-residents
9. Specific regimes – Taxation of foreign shares
10. Specific regimes – Taxation of New Zealand shares

11. Specific regimes – Taxation of managed funds

12. Specific regimes – Taxation of corporate groups

Volume III: Appendices

Appendices

List of Secretariat advice

Glossary

References