



Tax Working Group
Te Awheawhe Tāke

Tax Working Group Information Release

Release Document

February 2019

taxworkinggroup.govt.nz/key-documents

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.

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

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials;
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions;
- [4] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice.

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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.

Minutes

Date: Wednesday 19 December and Thursday 20 December

Location: pwc, Auckland

Attendees: *Group:* Sir Michael Cullen (Chair), Geof Nightingale, Kirk Hope (for 20 December only), Michelle Redington, Nick Malarao, Robin Oliver, Craig Elliffe, Bill Rosenberg, Joanne Hodge, Hinerangi Raumati-Tu'ua (for 20 December only), Marjan van den Belt, Nick Malarao.

Independent Advisor: Andrea Black

Secretariat: Mark Vink, Jordan Ward, Paul Kilford, Steve Mack, Matt Benges, Bevan Lye, Shane Domican, Phil Whittington, Catherine Milner

1. Administration

Noted	<ul style="list-style-type: none"> Minutes for previous meeting
Agreed	<ul style="list-style-type: none"> To update previous minutes as follows: <ul style="list-style-type: none"> From: "Group agrees that no time bar would apply to valuation of assets" to "Group agrees not to mention time bar issues regarding valuation in the Final Report" From "Signal early in the chapter that more aggression from IR on taxing property..." to "Signal early in the chapter that more assertive enforcement of current law on taxing property from IR would be welcome..." Cancel proposed meeting for 24 January.
Actions for the Secretariat	<ul style="list-style-type: none"> Make changes to meeting 24 minutes as requested by the Group.

2. Final report

Noted	<ul style="list-style-type: none"> Secretariat draft chapters for final report Secretariat updated draft chapters 5 and Volume II following feedback from Group received at meeting
Agreed	<ul style="list-style-type: none"> To a number of changes to the draft final report chapters (changes shown in marked up versions of chapters sent out to Group) That updated chapter 5 and Volume II presented by Secretariat are final with the further minor suggested changes from Group at meeting. Only changes to be made in January are from quality assurance, minor corrections, and updated revenue estimates

	<ul style="list-style-type: none"> • That remaining updated chapters are substantively final, and only subject to minor corrections, quality assurance, and updated revenue estimates.
Actions for the Secretariat	<ul style="list-style-type: none"> • Update draft chapters to reflect changes made by Group • Circulate updated Final Report in January

3. Estimated fiscal impact of a 2008 style share market crash on managed funds

Noted	<ul style="list-style-type: none"> • Secretariat paper on the topic
Actions for the Secretariat	<ul style="list-style-type: none"> • Compare modelling with calculations done by Bill Rosenberg

4. Updated revenue estimate

Noted	<ul style="list-style-type: none"> • Updated revenue estimate from taxing capital gains
Agreed	<ul style="list-style-type: none"> • To update final report with updated revenue estimate • To update illustrative packages in final report to have reduced personal income tax reductions to accommodate reduced revenue
Actions for the Secretariat	<ul style="list-style-type: none"> • Update fiscal and distributional analysis for personal income tax reductions with reduced fiscal cost • Update final report with updated packages in January