

2 April 2024

Hon Judith Collins KC, Attorney-General

Consistency with the New Zealand Bill of Rights Act 1990: Income Tax (Clean Transport FBT Exclusion) Amendment Bill

1. We have considered whether the Income Tax (Clean Transport FBT Exclusion) Amendment Bill (the Bill), a member's Bill in the name of Julie Anne Genter MP, is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 (the Bill of Rights Act).
2. The Bill seeks to increase the uptake of electric vehicles by exempting zero emissions vehicles provided to staff as part of their salary package (fringe benefit) from the fringe benefit tax (FBT).
3. To achieve this, the Bill proposes to amend section CX 6 of the Income Tax Act 2007 which sets out when a fringe benefit arises from employees' private use of a motor vehicle, and amend the definition of a car under section YA 1.
4. The Bill proposes the following amendments to the Income Tax Act 2007:
 - a. Introduce a new subsection CX 6 (2A) which is the electric vehicle exclusion.
 - b. Introduce a new subsection CX 6 (2AB), which sets out the expiry date for this new exclusion, being 5 years after the date this amendment comes into force.
 - c. Introduce an addition to the definition of a car under section YA 1 'car' paragraph (b) (ia) to include a double-cab ute.
5. We do not consider that the Bill engages any of the rights and freedoms in the Bill of Rights Act. We have therefore concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



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