

2 February 2021

Hon David Parker, Attorney-General

**Consistency with the New Zealand Bill of Rights Act 1990: Taxation (COVID-19 Resurgence Support Payments and Other Matters) Bill**

1. We have considered whether the Taxation (COVID-19 Resurgence Support Payments and Other Matters) Bill (the Bill) is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 (the Bill of Rights Act).
2. We have not yet received a final version of the Bill. This advice has been prepared in relation to the latest version of the Bill (IRD 23415/1.12). We will provide you with further advice if the final version includes amendments that affect the conclusions in this advice.
3. The Bill amends the Tax Administration Act 1994 by establishing the COVID-19 resurgence support payments (CRSP) scheme to provide support to businesses. The CRSP scheme is intended to provide grants to eligible persons when an escalation in COVID-19 alert levels occurs that results in a person suffering a reduction in revenue. The CRSP scheme may be declared active by the Governor-General by Order in Council.
4. The Commissioner of Inland Revenue (Commissioner) is responsible for making a grant to a person that has applied for the grant and who meets the eligibility requirements for the period of activation of the scheme. The Commissioner is also responsible for:
  - a. setting out the procedure required for a person to make an application for a grant;
  - b. determining the eligibility requirements that a person must meet to qualify for a grant (which must be published on an internet site administered by the Commissioner); and
  - c. determining the terms and conditions that apply to a grant.
5. Other key requirements in relation to the CRSP scheme include that a person who applies for a grant (and, if applicable, a person who applies for a grant on behalf of another person) must provide information as required by the Commissioner,<sup>1</sup> is bound by the terms of the grant, and must keep records referred to in s 22 of the Tax Administration Act 1994 to demonstrate that the eligibility requirements are met, and the CRSP terms have not been breached. The Commissioner may also publish information related to the CRSP scheme, including the names of persons to whom the Commissioner has made a grant under the scheme, and other details related to the grant.

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<sup>1</sup> Clause 7 of the Bill inserts new s 7AAB(4) which provides 'If a person applies for a grant on behalf of another person, both the person and the person in whose name the application is made must provide information as required by the Commissioner'. We infer this requirement to provide information only relates to information relevant to the purpose of the Commissioner determining whether to make a grant.

6. The Bill also amends the Income Tax Act 2007 to increase the minimum tax credit threshold for the 2021-22 and later tax years to account for the increase in the benefit abatement thresholds in 2021.
7. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



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