

Melanesian Trusts (Income Tax Exemption) Amendment Bill

15 October 2007

Attorney-General

LEGAL ADVICE

CONSISTENCY WITH THE NEW ZEALAND BILL OF RIGHTS ACT 1990:
MELANESIAN TRUSTS (INCOME TAX EXEMPTION) AMENDMENT BILL

1. We have considered whether the Melanesian Trusts (Income Tax Exemption) Amendment Bill, a Private Bill in the name of Hon Phil Goff, is consistent with the New Zealand Bill of Rights Act 1990. The Bill was introduced to the House of Representatives on 9 October 2007 and is currently awaiting its first reading. The Ministry understands that the next Members' Day is scheduled for 17 October 2007.
2. The Bill seeks to clarify that from the commencement date of the Melanesian Trusts Act 1974 the following were and are exempt from income tax:
 - a. income derived by the Melanesian Mission Trust Board; and
 - b. distributions of income by the Melanesian Mission Trust Board.
3. The preamble to the Bill notes that this clarification is required as a result of some uncertainty that has arisen from the decision in *Dick v Commissioner of Inland Revenue* (2002) 20 NZTC 17, 961.
4. We have concluded that the Bill does not appear to be inconsistent with the rights and freedoms affirmed by the New Zealand Bill of Rights Act 1990.

Melanie Webb
Manager, Ministerial Advice
Office of Legal Counsel

Charlotte Connell
Senior Adviser
Public Law

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