



ANALYSIS

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1987, No. 191

An Act to amend the Goods and Services Tax Act 1985
[11 December 1987]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Goods and Services Tax Amendment Act (No. 2) 1987, and shall be read together with and deemed part of the Goods and Services Tax Act 1985 (hereinafter referred to as the principal Act).

(2) This Act shall be deemed to have come into force on the 23rd day of September 1987, and shall apply to supplies made on or after that date.

2. Meaning of the term "supply"—(1) Section 5 (13) of the principal Act is hereby amended by repealing the proviso (as inserted by section 5 (5) of the Goods and Services Tax Amendment Act 1986), and substituting the following proviso:

"Provided that this subsection shall not apply in respect of any indemnity payment received pursuant to a contract of insurance where—

"(a) The supply of that contract of insurance is not a supply charged with tax pursuant to section 8 (1) of this Act; or

"(b) That payment is to indemnify for any loss of earnings (being earnings within the meaning of the Accident Compensation Act 1982)."

(2) The Goods and Services Tax Amendment Act 1986 is hereby consequentially amended by repealing section 5 (5).

3. Calculation of tax payable—Section 20 (3) (d) of the principal Act is hereby amended by adding to the proviso the following subparagraph:

“(v) Shall not apply where that payment is made to indemnify for any loss of earnings (being earnings within the meaning of the Accident Compensation Act 1982).”

This Act is administered in the Inland Revenue Department.
