



ANALYSIS

<p>Title</p> <p>1. Short Title</p> <p>2. Application</p> <p style="text-align: center;">PART 1</p> <p>AMENDMENTS TO INCOME TAX ACT 1994</p> <p>3. Income Tax Act 1994</p> <p>4. New heading and section replaced</p> <p style="padding-left: 40px;"><i>Tax Credits for Family Support and Family Plus</i></p> <p>GC 28. Tax credits for family support and family plus</p> <p>5. New Subpart heading</p> <p>6. New section inserted</p> <p style="padding-left: 40px;">KD 1A. Family support and family plus</p> <p>7. Sections replaced</p> <p style="padding-left: 40px;">KD 2. Calculation of Part KD credit</p> <p style="padding-left: 40px;">KD 2AA. Rules for Part KD credit</p> <p style="padding-left: 40px;">KD 2AB. Parental tax credit</p> <p style="padding-left: 40px;">KD 2A. Calculating net contributions to family support credit, child tax credit and parental tax credit</p> <p style="padding-left: 40px;">KD 3. Calculation of family tax credit</p> <p style="padding-left: 40px;">KD 3A. Rules for family tax credit</p> <p>8. Credit of tax by instalments</p> <p>9. Rates for interim instalments for period ending on or after 1 July 1998</p>	<p>10. Chief executive to deliver credit of tax</p> <p>11. Refund of excess tax</p> <p>12. Definitions</p> <p>13. Consequential amendments</p> <p style="text-align: center;">PART 2</p> <p>AMENDMENTS TO TAX ADMINISTRATION ACT 1994</p> <p>14. Tax Administration Act 1994</p> <p>15. Interpretation</p> <p>16. Annual income tax returns not required</p> <p>17. Annual returns by persons who receive Part KD credit</p> <p>18. Accident Rehabilitation and Compensation Insurance Corporation to provide information as to recipients of weekly compensation</p> <p>19. Disclosure of information for purposes of entitlement card</p> <p>20. Disclosure of information for family support double payment identification</p> <p>21. Power to make interim payments of Part KD credit</p> <p style="text-align: center;">—————</p> <p style="text-align: center;">SCHEDULE</p> <p style="text-align: center;">Consequential Amendments</p>
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1999, No. 62

An Act to—

- (a) Introduce the parental tax credit, a credit of tax to provide support for working families with a newborn child; and
- (b) Rename the “independent family tax credit” and “guaranteed minimum family income” as the

“child tax credit” and the “family tax credit” respectively; and

(c) Introduce “family plus”, which comprises the child tax credit, the parental tax credit and the family tax credit

[24 May 1999

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

1. Short Title—This Act may be cited as the Taxation (Parental Tax Credit) Act 1999.

2. Application—This Act applies on and after 1 October 1999.

PART 1

AMENDMENTS TO INCOME TAX ACT 1994

3. Income Tax Act 1994—This Part amends the Income Tax Act 1994.

4. New heading and section replaced—Section GC 28 and the heading immediately before section GC 28 are replaced by:

“Tax Credits for Family Support and Family Plus

“GC 28. Tax credits for family support and family plus—If the Commissioner is satisfied that arrangements have been made between a person and another person with a view to the affairs of those persons being arranged or conducted so that Part KD would, but for this section, have effect more favourably for that person than would otherwise have been the case, the amount of a credit of tax to which that person is entitled under Part KD may not be more than the amount of the credit of tax to which the person would, in the Commissioner’s opinion, have been entitled if those arrangements had not been made.”

5. New Subpart heading—In Part K, the subpart heading for Subpart D is replaced by:

“SUBPART D—TAX CREDITS FOR FAMILY SUPPORT AND FAMILY PLUS”.

6. New section inserted—After section KD 1, the following is inserted:

“KD 1A. **Family support and family plus**—(1) Under this subpart a person and their spouse (if any) may be entitled to family support and family plus.

“(2) Family plus consists of the child tax credit, the parental tax credit and the family tax credit.”

7. Sections replaced—Sections KD 2, KD 2A and KD 3 are replaced by:

“KD 2. **Calculation of Part KD credit**—(1) A person is allowed a credit of tax (known as the ‘Part KD credit’) for an income year containing an eligible period of an amount calculated under the formula in subsection (2).

“(2) The formula is:

$$\text{FSC} + \text{CTC} + \text{PTC} - \text{FCA}$$

where—

FSC is the amount of the family support credit for the eligible period calculated under subsection (3); and

CTC is the amount of the child tax credit for the eligible period calculated under subsection (4); and

PTC is the amount of the parental tax credit for the eligible period calculated under subsection (5); and

FCA is the amount of the family credit abatement for the eligible period calculated under subsection (6).

“(3) The amount of the family support credit for an eligible period is calculated using the formula:

$$\text{amount} \times \frac{\text{days}}{365}$$

where—

amount is the sum of—

(a) For the eldest dependent child for whom the person is a principal caregiver during the period, one of the following:

(i) \$2,444, if the child is under 13 years of age:

(ii) \$2,444, if the child is 13, 14 or 15 years of age:

(iii) \$3,120, if the child is 16 years of age or older:

- (iv) A weighted average of the amounts in subparagraphs (ii) and (iii) that reflects the proportion of the period for which those subparagraphs apply to the child, if the child turns 16 years of age during the period; and
- (b) For each dependent child for whom the person is a principal caregiver during the period, other than the eldest dependent child, one of the following:
 - (i) \$1,664, if the child is under 13 years of age:
 - (ii) \$2,080, if the child is 13, 14 or 15 years of age:
 - (iii) \$3,120, if the child is 16 years of age or older:
 - (iv) A weighted average of the amounts in subparagraphs (i) and (ii) that reflects the proportion of the period for which those subparagraphs apply to the child, if the child turns 13 years of age during the period:
 - (v) A weighted average of the amounts in subparagraphs (ii) and (iii) that reflects the proportion of the period for which those subparagraphs apply to the child, if the child turns 16 years of age during the period; and

days is the number of days in the eligible period.

“(4) The amount of the child tax credit for an eligible period is calculated using the formula:

$$\$780 \times \text{dependent children} \times \frac{\text{eligible period}}{365}$$

where—

dependent children is the number of dependent children for whom the person is a principal caregiver during the eligible period; and

eligible period is the number of days in the eligible period for which the person and their spouse do not receive a specified payment and do not have

a suspended entitlement to an income-tested benefit.

“(5) For each dependent child born on or after 1 October 1999, the amount of the parental tax credit for an eligible period is calculated using the formula:

$$\text{amount} \times \frac{\text{days}}{56}$$

where—

amount is \$1,200 per dependent child; and
 days is the number of days in the eligible period, up to a maximum of 56 days, for which the person and their spouse do not receive a specified payment and do not have a suspended entitlement to an income-tested benefit.

“(6) The amount of the family credit abatement for an eligible period is calculated using the formula:

$$\text{abatement rate} \times \frac{\text{days}}{365}$$

where—

abatement
 rate

is—

(a) If the person has no spouse during the eligible period, and—

(i) The person’s specified income for a specified period containing the eligible period is not more than \$20,000, nil:

(ii) The person’s specified income for a specified period containing the eligible period is more than \$20,000 but is not more than \$27,000, 18 cents for each complete dollar of that excess:

(iii) The person’s specified income for a specified period containing the eligible period is more than \$27,000, the amount of \$1,260 increased by 30 cents for each complete dollar of the excess; or

(b) If a person has a spouse during the eligible period, and—

(i) The person's specified income, their spouse's specified income, or the sum of those specified incomes, as the case may be, for a specified period containing the eligible period is not more than \$20,000, nil:

(ii) The person's specified income, their spouse's specified income, or the sum of those specified incomes, as the case may be, for a specified period containing the eligible period is more than \$20,000 but is not more than \$27,000, 18 cents for every complete dollar of that excess:

(iii) The person's specified income, their spouse's specified income, or the sum of those specified incomes, as the case may be, for a specified period containing the eligible period is more than \$27,000, the amount of \$1,260 increased by 30 cents for every complete dollar of the excess; and

days is the number of days in the eligible period.

“(7) If a qualifying person receives interim fortnightly instalments of the parental tax credit in an 8-week period that includes 31 March, the family credit abatement formula in subsection (6) is to be applied so that—

“(a) Instalments of the parental tax credit received in the first income year are abated against the person's specified income, their spouse's specified income, or the sum of those specified incomes for that income year; and

“(b) Instalments of the parental tax credit received in the second income year are abated against the person's specified income, their spouse's specified income, or the sum of those specified incomes for that income year.

“KD 2AA. **Rules for Part KD credit**—(1) This section applies for the purpose of section KD 2.

“(2) A person is a principal caregiver of a child if the person lives apart from another qualifying person for that dependent child and has the dependent child in his or her exclusive care for periods totalling at least one-third of the income year or, in

the case of the parental tax credit, for periods totalling at least one-third of the entitlement period.

“(3) A Part KD credit must be reduced in proportion to the amount of time a dependent child spends in the exclusive care of another qualifying person during the eligible period.

“(4) Subsection (5) applies if a person has a spouse throughout an eligible period and during the eligible period—

“(a) The person is a qualifying person for a dependent child or more than one dependent child; and

“(b) The spouse is a qualifying person for a dependent child or more than one dependent child; and

“(c) The dependent child, or at least one of the dependent children, referred to in paragraph (b) is not a dependent child referred to in paragraph (a).

“(5) Section KD 2 and this section, apart from this subsection and subsection (6), apply as if either the person or the spouse were the qualifying person for all those children and the other person were not a qualifying person for any of the children.

“(6) The Commissioner must determine which of the persons referred to in subsection (5) is the qualifying person under that subsection.

“(7) The Commissioner may allow a credit of tax under section KD 2 to a qualifying person for a person aged 18 years who—

“(a) Is not financially independent; and

“(b) Is attending school or a tertiary educational establishment—

as if the person had not attained the age of 18 years.

“(8) The Commissioner must determine the period for which a credit is allowed to a qualifying person who is a person aged 18 years.

“(9) The period determined by the Commissioner under subsection (8) expires on or before the first day fixed by the Commissioner for payments of interim instalments of credits of tax under section KD 7 in the calendar year following the calendar year in which the person turns 18.

“(10) If a day is part of more than one eligible period, for the purpose of this section the day is part only of the particular eligible period that the Commissioner thinks just, having regard to the tenor of this section and section KD 2.

“(11) If a day is part of more than one specified period, for the purpose of this section the day is part only of the particular specified period that the Commissioner thinks just, having regard to the tenor of this section and section KD 2.

“KD 2AB. **Parental tax credit**—(1) The qualifying person for a dependent child that is born on or after 1 October 1999 is allowed a credit of tax, called the ‘parental tax credit’, for up to the first 56 days after the date of the dependent child’s birth if at any time during that period (in this subpart called the ‘entitlement period’) the person and their spouse (if any) do not receive a specified payment and do not have a suspended entitlement to an income-tested benefit.

“(2) A qualifying person continues to be entitled to the parental tax credit if the dependent child dies during the entitlement period and the person and their spouse (if any) would otherwise meet the requirements of subsection (1).

“(3) The parental tax credit is to be paid to a qualifying person either—

“(a) In accordance with section KD 4; or

“(b) In the 56 days after the date an application is made if the person applies to receive the credit by way of fortnightly interim instalments and at any time during that period (in this subpart called the ‘payment period’) the person and their spouse do not receive a specified payment and do not have a suspended entitlement to an income-tested benefit.

“KD 2A. **Calculating net contributions to family support credit, child tax credit and parental tax credit**—When the Commissioner calculates the amounts making up the family support credit, the child tax credit and the parental tax credit corresponding to a period under this subpart, the Commissioner must—

“(a) Treat the family support credit, the child tax credit and the parental tax credit as credits corresponding to the period; and

“(b) Treat as a debit the amount of family credit abatement corresponding to the period; and

“(c) Apply the amount of the family credit abatement corresponding to the period—

“(i) Firstly to reduce the amount of the family support credit corresponding to the period; and

“(ii) Secondly to reduce the amount of the child tax credit corresponding to the period; and

“(iii) Thirdly to reduce the amount of the parental tax credit corresponding to the period.

“KD 3. Calculation of family tax credit—(1) In this section—

“ ‘Employment’ means the activity a person performs that gives rise, or will give rise, to an entitlement to a source deduction payment other than—

“(a) A payment of any of the kinds referred to in paragraphs (d), (f) and (g) of the definition of ‘salary or wages’:

“(b) A withholding payment of the kind specified in Part E of the Schedule of the Income Tax (Withholding Payments) Regulations 1979:

“(c) A payment made by a close company to a person who is a major shareholder of the close company:

“(d) A payment made by a person to their spouse:

“(e) A payment made by a business carried on by 2 or more persons jointly, whether in partnership or otherwise, to a spouse of one of the persons in business:

“ ‘Qualifying person’, for a specified period, means a person, if throughout the specified period—

“(a) The person is 16 years or older; and

“(b) The person is the principal caregiver in respect of one or more dependent children; and

“(c) Either—

“(i) The person has been both resident and present in New Zealand for a continuous period of 12 months at any time; or

“(ii) Each of the dependent children referred to in paragraph (b) is both resident and present in New Zealand;—

but does not include a person who, during the specified period, receives an income-tested benefit, a veteran’s pension or a war widows mother’s allowance.

“(2) A person who does not have a spouse during an eligible period is allowed a credit of tax for the income year containing the eligible period of an amount calculated using the formula in subsection (3).

“(3) The formula is:

$$(\text{amount} - \text{NSI}) \times \frac{1\text{WPs}}{52}$$

where—

amount is \$15,080; and

NSI is the person's net specified income for the specified period containing the eligible period; and
 1WPs is the number of 1-week periods in the eligible period for which the person is a full-time earner.

“(4) If a person has a spouse during an eligible period, that person and their spouse is each allowed for the income year containing the eligible period a credit of tax of 50% of an amount calculated using the formula in subsection (5).

“(5) The formula is:

$$(\text{amount} - \text{NSI}) \times \frac{1\text{WPs}}{52}$$

where—

amount is \$15,080; and

NSI is the person's net specified income for a specified period containing the eligible period or their spouse's net specified income for the specified period, or the sum of the person's and their spouse's net specified income for the specified period; and

1WPs is the number of 1-week periods in the eligible period for which the person is a full-time earner.

“KD 3A. **Rules for family tax credit**—(1) This section applies for the purpose of section KD 3.

“(2) Subsection (3) applies if a person has a spouse throughout an eligible period and during the eligible period—

“(a) The person is a qualifying person for a dependent child or more than one dependent child; and

“(b) The spouse is a qualifying person for a dependent child or more than one dependent child; and

“(c) The dependent child, or at least one of the dependent children, referred to in paragraph (b) is not a dependent child referred to in paragraph (a).

“(3) Section KD 3 and this section, apart from this subsection and subsection (4), apply as if either the person or the spouse were the qualifying person for all those children and the other person was not a qualifying person for any of the children.

“(4) The Commissioner must determine which of the persons referred to in subsection (3) is the qualifying person under that subsection.

“(5) The Commissioner may allow a credit of tax under section KD 3 to a qualifying person for a person aged 18 years who—

“(a) Is not financially independent; and

“(b) Is attending school or a tertiary educational establishment—

as if the person had not attained the age of 18 years.

“(6) The Commissioner must determine the period for which a credit is allowed to a qualifying person who is a person aged 18 years.

“(7) The period determined by the Commissioner under subsection (6) expires on or before the first day fixed by the Commissioner for payments of interim instalments of credits of tax under section KD 7 in the calendar year following the calendar year in which the person turns 18.

“(8) If a day is part of more than one eligible period, for the purpose of this section the day is part only of the particular eligible period that the Commissioner thinks just, having regard to the tenor of this section and section KD 3.

“(9) If a day is part of more than one specified period, for the purpose of this section the day is part only of the particular specified period that the Commissioner thinks just, having regard to the tenor of this section and section KD 3.

“(10) For the purpose of this section, if a person receives a source deduction payment and on the date of receipt does not perform any employment or performs an activity to an extent less than would give rise to an entitlement to the source deduction payment, the person is treated as having performed such employment as the Commissioner determines, having regard to the date of receipt, to the pay period in which it occurs, to the circumstances giving rise to the source deduction payment and to any other circumstances that the Commissioner considers relevant.”

8. Credit of tax by instalments—(1) After section KD 5 (1), the following is inserted:

“(1A) If a person is entitled to receive the parental tax credit for up to the first 56 days of a dependent child’s life (referred to in this subpart as the ‘elected period’), the person may apply, in accordance with subsection (2), to receive the parental tax credit under section KD 2 by way of interim instalments in advance of the end of the income year containing the elected period.

“(1B) The application must be made no later than 3 months after the date of the dependent child’s birth.

“(1C) If a person applies more than 3 months after the date of the dependent child’s birth, the person may receive the parental tax credit only in accordance with section KD 4 in the income year in which the birth occurs.”

(2) In section KD 5 (2), “subsection (1)” is replaced by “subsections (1) or (1A)” in both places where it occurs.

(3) In section KD 5 (3), “subsection (1)” is replaced by “subsections (1) or (1A)”.

(4) Section KD 5 (4)(c)(iii) is replaced by:

“(iii) The amount (if any) after abatement contributed by the child tax credit to the fortnightly interim instalment:

“(iiia) The amount (if any) after abatement contributed by the parental tax credit to the fortnightly instalment:”.

(5) Section KD 5 (4)(c)(iv) is replaced by:

“(iv) The amount (if any) contributed by the family tax credit to the fortnightly interim instalment.”

(6) In section KD 5 (6), “family credit” is replaced by “Part KD credit”.

(7) Section KD 5 (6A) is replaced by:

“(6A) The amount of an interim instalment by way of credit of tax under section KD 2 or, as the case may be, sections KD 2 and KD 3 must be calculated by the Commissioner—

“(a) As if the calculation period were a specified period; and

“(b) Using—

“(i) A value for specified income as directed by subsection (6)(c); and

“(ii) The rates of family support credit, child tax credit, parental tax credit, family credit abatement and family tax credit given by section KD 5B.”

(8) In section KD 5 (8), “family credit” is replaced by “Part KD credit”.

9. Rates for interim instalments for period ending on or after 1 July 1998—(1) Section KD 5B (1) is replaced by:

“(1) For the purpose of section KD 5 (6), the amount of the estimated entitlement of a person to a credit of tax for a period beginning on or after 1 July 1998 is calculated under the formula in subsection (1A).

“(1A) The formula is:

$$\text{Part KD credit} + \text{FTC}$$

where—

Part KD

credit

is the estimated entitlement of the person to a Part KD credit for the period calculated under subsections (2) and (2A); and

FTC is the estimated entitlement of the person to a family tax credit for the period calculated under subsection (6).”

(2) Section KD 5B (2) is replaced by:

“(2) For the purpose of this section, the estimated entitlement of a person to a Part KD credit for a period is calculated under the formula in subsection (2A).

“(2A) The formula is:

$$\text{FSC} + \text{CTC} + \text{PTC} - \text{FCA}$$

where—

FSC is the amount of the family support credit for the eligible period calculated under subsection (3); and
 CTC is the amount of the child tax credit for the eligible period calculated under subsection (4); and
 PTC is the amount of the parental tax credit for the eligible period calculated under subsection (4A); and
 FCA is the amount of the family credit abatement for the eligible period calculated under subsection (5).”

(3) In section KD 5B (4), “independent family tax credit” is replaced by “child tax credit”.

(4) After section KD 5B (4), the following is inserted:

“(4A) The amount of the parental tax credit is calculated using the formula:

$$\text{amount} \times \frac{\text{days}}{56}$$

where—

amount is \$1,200 per dependent child; and
 days is the number of days in the eligible period, up to a maximum of 56 days, for which the person and their spouse do not receive a specified payment and do not have a suspended entitlement to an income-tested benefit.”

(5) After section KD 5B (5), the following is inserted:

“(5A) If a principal caregiver receives interim fortnightly instalments of the parental tax credit in an 8-week period that includes 31 March, the family credit abatement formula in subsection (5) is to be applied so that—

“(a) Instalments of the parental tax credit received in the first income year are abated against the person’s specified income, their spouse’s specified income or the sum of those specified incomes for that income year; and

“(b) Instalments of the parental tax credit received in the second income year are abated against the person’s specified income, their spouse’s specified income or the sum of those specified incomes for that income year.”

(6) In section KD 5B (6), “guaranteed minimum family income” is replaced by “family tax credit”.

10. Chief executive to deliver credit of tax—In section KD 6, “family credit” is replaced by “Part KD credit” wherever it occurs.

11. Refund of excess tax—Section MD 1 (4)(a) is replaced by:

“(a) Part KD (which relates to family support and family plus); or”.

12. Definitions—(1) This section amends section OB 1.

(2) The following definitions are inserted:

“ ‘Child tax credit’, in Part KD, means—

“(a) For the purpose of calculating a component of interim instalment of credit of tax for a period under section KD 5, the component of the instalment given by section KD 5B (4):

“(b) If paragraph (a) does not apply, the component of the Part KD credit given by section KD 2 (4):

“ ‘Entitlement period’, for the purpose of the parental tax credit in Part KD, means the first 56 days after the date of a dependent child’s birth:

“ ‘Family plus’ means the total of:

“(a) The child tax credit for an eligible period calculated under section KD 2 (4) after abatement (if any) under section KD 2 (6); and

“(b) The parental tax credit for an eligible period calculated under section KD 2 (5) after abatement (if any) under section KD 2 (6); and

“(c) The family tax credit calculated under section KD 3:

“ ‘Family tax credit’, in Part KD, means—

“(a) For the purpose of calculating a component of interim instalment of credit of tax for a period under section KD 5, the component of the instalment given by section KD 5B (6):

“(b) If paragraph (a) does not apply, the credit of tax given by section KD 3:

“ ‘Parental tax credit’, in Part KD, means—

“(a) For the purpose of calculating a component of interim instalment of credit of tax for a period under section KD 5, the component of the instalment given by section KD 5B (4A):

“(b) If paragraph (a) does not apply, the component of the Part KD credit given by section KD 2 (5):

“ ‘Part KD credit’ means the credit of tax allowed and calculated under section KD 2:

“ ‘Payment period’, for the purpose of the parental tax credit in Part KD, means the 56 days after the date an application is made to receive the parental tax credit.”.

(3) The following definitions are repealed:

“Family credit”

“Guaranteed minimum family income”

“Independent family tax credit”.

(4) In the definition of “family credit abatement”, paragraph (b) is replaced by:

“(b) Otherwise, the component of the Part KD credit given by section KD 2 (6):”.

(5) In the definition of “family support credit”, paragraph (b) is replaced by:

“(b) Otherwise, the component of the Part KD credit given by section KD 2 (3):”.

13. Consequential amendments—The regulation specified in the Schedule is amended in the manner indicated in that schedule.

PART 2

AMENDMENTS TO TAX ADMINISTRATION ACT 1994

14. Tax Administration Act 1994—This Part amends the Tax Administration Act 1994.

15. Interpretation—In section 3, the definition of “family tax credit” is repealed.

16. Annual income tax returns not required—Section 33A (1)(f) is replaced by:

“(f) Or the spouse of the person, is not paid by the chief executive of the department for the time being responsible for the administration of the Social Security Act 1964 a Part KD credit under section KD 2 of the Income Tax Act 1994 for which the amount of family credit abatement under that section is greater than nil; and”.

17. Annual returns by persons who receive Part KD credit—Section 41 is replaced by:

“41. (1) If a person is eligible to receive a credit of tax under Part KD of the Income Tax Act 1994, the person must apply to the Commissioner for the credit of tax in the manner specified by the Commissioner.

“(2) A person’s application must be signed and provide the information the Commissioner requires.

“(3) Subsection (4) applies if, apart from this section, a person is not required to furnish a return of income for an income year and—

“(a) For the whole or part of the income year the person is issued with a family certificate of entitlement under Part KD of the Income Tax Act 1994; or

“(b) After the end of the income year, the person applies to the Commissioner for a Part KD credit or a family tax credit for that income year.

“(4) A person must furnish a return to the Commissioner for the income year, whether or not the person derived gross income in the income year, together with—

“(a) The details of every Part KD credit paid to the person in the income year; and

“(b) Such other details as may be prescribed or required by the Commissioner.

“(5) The provisions of this Act, so far as they are applicable and with any necessary modifications, apply to every return furnished or required to be furnished under subsection (4) as if the return were furnished or required to be furnished under section 33.”

18. Accident Rehabilitation and Compensation Insurance Corporation to provide information as to recipients of weekly compensation—(1) In section 46A (1) and 46A (3), “independent family tax credit” is replaced by “child tax credit”.

(2) In section 46A (5), the definition of “independent family tax credit” is replaced by:

“‘Child tax credit’ has the same meaning as in section OB 1 of the Income Tax Act 1994.”.

19. Disclosure of information for purposes of entitlement card—In section 83 (2), “family tax credit” is replaced by “Part KD credit”.

20. Disclosure of information for family support double payment identification—(1) In section 84 (1)(a) and 84 (4), “family tax credit” is replaced by “Part KD credit”.

(2) In section 84 (6), after the definition of “beneficiary information”, the following is inserted:

“‘Part KD credit’ means an interim instalment of a Part KD credit, as that term is defined in section OB 1 of the Income Tax Act 1994.”.

21. Power to make interim payments of Part KD credit—Section 225A is replaced by:

“225A. (1) The Governor-General may from time to time, by Order in Council—

“(a) Specify a class of persons being paid an income-tested benefit to whom the chief executive of the department for the time being responsible for the administration of the Social Security Act 1964 may make payments under section KD 6 (1)(b) of the Income Tax Act 1994, or to whom the chief executive must stop making such payments:

“(b) Appoint a date on which the chief executive of that department may start making payments under section KD 6 (1)(b) of the Income Tax Act 1994 or a date on which the chief executive must stop making such payments.

“(2) An Order in Council made under subsection (1) may—

“(a) Provide that the chief executive of that department may make payments, or must stop making payments, under section KD 6 (1)(b) of the Income Tax Act 1994 to all persons receiving an income-tested benefit; or

“(b) Specify a class of persons being paid an income-tested benefit to whom the chief executive of that department may make payments, or must stop making payments, under section KD 6 (1)(b) of the

Income Tax Act 1994, by reference to one or more of the following:

“(i) The type of income-tested benefit received by the person:

“(ii) The amount of the income-tested benefit received by the person:

“(iii) The amount of the Part KD credit to which the person may be entitled, as determined by the chief executive of that department:

“(iv) Any amount used or calculated by the chief executive of that department in determining the amount of the Part KD credit to which a person may be entitled.

“(3) Every Order in Council made under subsection (1) is treated as being a regulation for the purpose of the Regulations (Disallowance) Act 1989 and the Acts and Regulations Publication Act 1989.”

SCHEDULE
CONSEQUENTIAL AMENDMENTS
REGULATION AMENDED

Regulation	Amendment
<p>Health Entitlement Cards Regulations 1993 (S.R. 1993/169)</p>	<p>By omitting from paragraph (b) of the definition of “family credit income” in regulation 2 the words “family credit” and “guaranteed minimum family income”, and substituting the words “Part KD credit” and “family tax credit” respectively.</p> <p>By inserting, after the definition “ordinarily resident in New Zealand” in regulation 2, the following definition: “‘Part KD credit’ has the same meaning as in section OB 1 of the Income Tax Act 1994.”.</p> <p>By omitting from regulation 8 (1)(c)(ii) the words “family tax credit”, and substituting the words “Part KD credit”.</p> <p>By omitting from regulation 8 (1)(d)(iii) the words “family credit”, and substituting the words “Part KD credit”.</p> <p>By omitting from regulation 8 (4) the words “family credit” in both places where they occur, and substituting the words “Part KD credit”.</p> <p>By omitting from regulation 8 (4)(b) the words “family support credit of tax”, and substituting the words “Part KD credit”.</p>

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This Act is administered in the Inland Revenue Department.

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