

Student Loan Scheme Amendment Bill

Government Bill

As reported from the committee of the whole House

This bill was formerly part of the Taxation (Annual Rates, Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill as reported from the Finance and Expenditure Committee. The committee of the whole House has further amended the bill and has divided it into the following bills:

- The Taxation (Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill, comprising Parts 2 to 4 (except for clauses 145 to 158)
 - The Taxation (Annual Rates of Income Tax 2002–03) Bill, comprising Part 1
 - This bill, comprising clauses 145 to 154
 - The Child Support Amendment Bill, comprising clauses 155 to 158.
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Key to symbols used in reprinted bill

As reported from a select committee

Struck out (unanimous)

Subject to this Act,

Text struck out unanimously

{Subject to this Act,}

Words struck out unanimously

Subject to this Act,

Words inserted unanimously

Hon Dr Michael Cullen

Student Loan Scheme Amendment Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Student Loan Scheme Amendment Act **2003**.

2 Commencement

- (1) This Act comes into force on the day on which it receives the Royal assent.

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145 Student Loan Scheme Act 1992

Sections 146 to 154 amend the Student Loan Scheme Act 1992 (1992 No 141) (in those sections called “the principal Act”).

146 Interpretation

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- (1) Section 2 of the principal Act is amended by inserting, after the definition of **non-resident repayment obligation**, the following definition:

“**PAYE intermediary** means a PAYE intermediary as defined in section OB 1 of the Income Tax Act 1994”.

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- (2) **Subsection (1)** applies to obligations under the principal Act that arise on and after 1 April (2003) 2004.

Struck out (unanimous)

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| 147 Borrower to notify employer of student loan repayment obligation | 5 |
| (1) The heading to section 18 of the principal Act is amended by inserting, after the word “ employer ”, the words “ or PAYE intermediary ”. | |
| (2) Section 18 of the principal Act is amended by inserting, after the words “notify that employer”, the words “or a PAYE intermediary”. | |
| (3) Subsections (1) and (2) apply on and after 1 April 2003. | |
| 148 Employer to make repayment deductions | 10 |
| (1) The heading to section 19 of the principal Act is amended by inserting, after the word “ Employer ”, the words “ or PAYE intermediary ”. | |
| (2) Section 19 of the principal Act is amended by repealing subsection (1), and substituting the following subsection: | 15 |
| “(1) <i>(If section 18 applies, each time an employer)</i> <u>If a borrower has given a notice under section 18 to an employer, each time the employer, or a person acting as a PAYE intermediary for the employer, pays an amount to (a) the borrower by way of salary or wages for an income year, the employer or (a PAYE intermediary) the person must make a deduction from that amount.</u> ” | 20 |
| (3) Subsections (1) and (2) apply <u>to obligations under the principal Act that arise on and after 1 April (2003) 2004.</u> | |
| 149 Information to show repayment deductions made | 25 |
| (1) Section 24(1) of the principal Act is amended by inserting, after the words “Every employer”, the words “or PAYE intermediary”. | |
| (2) Subsection (1) applies <u>to obligations under the principal Act that arise on and after 1 April (2003) 2004.</u> | 30 |

- 150 PAYE rules of Income Tax Act 1994 to apply to repayment deductions**
- (1) Section 25(1) of the principal Act is amended by inserting, after the words “every employer (*and employee*)”, the words “, (*or*) PAYE intermediary (*and employee*)”,. 5
- (2) Section 25(2) of the principal Act is amended by omitting the expression “NC 17,”.
- (3) **Subsection (1)** applies to obligations under the principal Act that arise on and after 1 April (*2003*) 2004.
- (4) **Subsection (2)** applies (*to*) for the 2002–03 and subsequent income years. 10
- 151 Payment of terminal repayment obligation**
- (1) Section 30 of the principal Act is amended by repealing subsection (1), and substituting the following subsection: 15
- “(1) A terminal repayment obligation for an income year that is not previously due and payable is due and payable on the borrower’s **terminal tax date**, as defined in section OB 1 of the Income Tax Act 1994, for the income year.”
- (2) **Subsection (1)** applies (*to*) for the 2002–03 and subsequent income years. 20
- 152 Power of Commissioner in respect of small amounts**
- (1) Section 51 of the principal Act is amended by inserting, after the words “an employer” in both cases where those words occur, the words “or a PAYE intermediary”.
- (2) **Subsection (1)** applies to obligations under the principal Act that arise on and after 1 April (*2003*) 2004. 25
- 153 Challenge to assessment of repayment deduction**
- (1) Section 67 of the principal Act is amended by inserting, after the words “Any employer”, the words “or (*a*) PAYE intermediary”. 30
- (2) **Subsection (1)** applies to obligations under the principal Act that arise on and after 1 April (*2003*) 2004.
- 154 Offences in respect of repayment deductions**
- (1) Section 77(1)(d) and (e) of the principal Act is amended by inserting, after the words “an employer” in the second place they appear, the words “or a PAYE intermediary”. 35

- (2) **Subsection (1)** applies to obligations under the principal Act that arise on and after 1 April (2003) 2004.

Legislative history

19 March 2003

Divided from Taxation (Annual Rates, Maori Organisations, Taxpayer Compliance and Miscellaneous Provisions) Bill (Bill 213–3C)
