



Income Tax (Withholding Payments) Amendment Regulations 2005

Silvia Cartwright, Governor-General

Order in Council

At Wellington this 29th day of August 2005

Present:

Her Excellency the Governor-General in Council

Pursuant to section NC 21 of the Income Tax Act 2004 and sections 224 and 225 of the Tax Administration Act 1994, Her Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

1 Title

- (1) These regulations are the Income Tax (Withholding Payments) Amendment Regulations 2005.
- (2) In these regulations, the Income Tax (Withholding Payments) Regulations 1979¹ are called “the principal regulations”.

¹ SR 1979/259

2 Commencement

These regulations come into force on 1 April 2006.

3 Interpretation

- (1) Regulation 2(1) of the principal regulations is amended by inserting, after the definition of **specified activity**, the following definition:

“**specified agricultural, horticultural, or viticultural company** means a company that carries on a business that comprises or includes performing any work or rendering any service specified in clause 4A of Part A of the Schedule”.

- (2) Subclause (1) applies to payments made on or after 1 April 2006.

4 Payments declared to be withholding payments

- (1) Regulation 4(2)(b) of the principal regulations is amended by adding the words “or a specified agricultural, horticultural, or viticultural company”.

- (2) Subclause (1) applies to payments made on or after 1 April 2006.

5 New regulation 12A inserted

- (1) The principal regulations are amended by inserting, after regulation 12, the following regulation:

“12A **Agricultural, horticultural, or viticultural employers must provide certain information**

“(1) If an employer is required to deliver to the Commissioner an employer monthly schedule for a particular period and the employer makes, during that period, a relevant payment in relation to which a tax deduction is not required to be made by virtue of a certificate issued under regulation 5 or regulation 6A, the employer must include in the employer monthly schedule the information set out in subclause (3) in relation to the relevant payment.

“(2) If an employer is not required to deliver to the Commissioner an employer monthly schedule for a particular month and the employer makes a relevant payment during that month, the employer must provide to the Commissioner the information set out in subclause (3) in relation to the relevant payment not

later than the 20th of the month following the month in which the employer made the relevant payment.

- “(3) For the purposes of subclauses (1) and (2), the information that must be provided is—
- “(a) the name and tax file number of the employer; and
 - “(b) the name of the person that received the payment; and
 - “(c) if supplied to the employer, the tax file number of the person that received the payment; and
 - “(d) the gross amount of the payment; and
 - “(e) the date that the payment was made; and
 - “(f) if supplied to the employer, the number of any certificate issued under regulation 5 or regulation 6A to the person that received the payment (unless the certificate is no longer in force).
- “(4) For the purposes of this regulation, **relevant payment** means a payment for work done or services rendered within the class specified in clause 4A of Part A of the Schedule.”
- (2) Subclause (1) applies to payments made on or after 1 April 2006.

6 Schedule amended

- (1) The Schedule of the principal regulations is amended by inserting in Part A, after clause 4, the following clause:
- 4A Payments for agricultural, horticultural, or viticultural work done, or services rendered, on or in connection with land used or intended to be used for agriculture, horticulture, or viticulture (including the supply of labour), being work or services of the nature of any of the following:
- (a) the pruning of fruit trees or vines:
 - (b) the thinning of fruit trees or vines:
 - (c) the picking of fruit or grapes:
 - (d) the packing of fruit or grapes 15c per \$1
- (2) Subclause (1) applies to payments made on or after 1 April 2006.

Diane Morcom,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 April 2006, amend the Income Tax (Withholding Payments) Regulations 1979 to provide that payments made to companies engaged in pruning, thinning, picking, or packing activities in the agricultural, horticultural, or viticultural industries are withholding payments for the purposes of the PAYE rules.

These regulations also provide a new class of withholding payments for contractors that provide pruning, thinning, picking, or packing services in the agricultural, horticultural, or viticultural industries. The rate of tax deduction is 15 cents per \$1.

Certain information relating to payments specified in the new class must be provided to the Commissioner of Inland Revenue either in an employer monthly schedule or not later than the 20th of the month following the month in which the employer made the payment.

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 1 September 2005.
These regulations are administered in the Inland Revenue Department.
