

Hon David Parker BCom, LLB

Attorney-General

Minister for the Environment

Minister for Oceans and Fisheries

Minister of Revenue

Associate Minister of Finance



COR0226/COR0321

16 February 2021

Arti Chand
Vice-President
New Zealand Law Society
PO Box 5041
WELLINGTON 6140

Dear Arti Chand

Thank you for your letters of 8 and 23 December 2020 about tax legislation reform.

Thank you also for your congratulations on my appointment as Minister of Revenue. I am pleased to hear that there is a good working relationship between the New Zealand Law Society and Inland Revenue officials. I appreciate the Law Society's contribution to tax law reform in New Zealand.

I acknowledge and value the benefits of the Generic Tax Policy Process and select committee consideration of bills. However, the Government will sometimes decide to progress legislative changes within a short timeframe with no or limited opportunity for external input. This was the case with the recently enacted information-gathering provisions referred to in your second letter, which were needed as a consequence of the arbitrage rules associated with the increase to the top income tax rate which we had campaigned on.

The new section 17GB of the Tax Administration Act 1994 is intended to clarify the law by removing any uncertainty about whether the Commissioner can, under section 17B of the Tax Administration Act 1994, require information to be provided solely for tax policy development purposes.

I also acknowledge your concerns about the use of Supplementary Order Papers in the legislative process. The decision to propose amendments to a bill in this way was akin to the urgency accorded to the related introduction of the 39% rate. I can assure you that the tax law drafting function being located in Inland Revenue, rather than the Parliamentary Counsel Office, was not relevant to this issue.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Parker'.

Hon David Parker
Minister of Revenue and Attorney-General