

DETERMINATION > COVID-19 VARIATION

# Variation to section HB 13(3)(b) of the Income Tax Act 2007

Issued: 13 May 2020

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**EFFECTIVE:** 1 April 2020 to 30 June 2020

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## Variation

The Commissioner of Inland Revenue has, under the discretion provided under section 6I of the Tax Administration Act 1994, made the following statutory variation:

For an election to be an LTC (look-through company) for the 2019 income year for a company to which s HB 13(3)(b) of the Income Tax Act 2007 applies, the deadline by which that election must be received by the Commissioner is extended to include an election received by the Commissioner on or before 30 June 2020.

## Application date

This variation applies from 1 April 2020 to 30 June 2020.

Dated at Wellington on 13 May 2020.

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## Background (material under this heading does not form part of the variation)

### Summary of effect

1. Section HB 13(3)(b) of the Income Tax Act 2007 provides that in the case of a company that has not previously been required to file a return of income prior to the year from which they wish to be treated as an LTC (look-through company), the election must be provided before the last day for filing that return. The due date for filing that election has been extended to 30 June 2020 using s 6I of the TAA.

## Provisions affected

2. Section HB 13(3)(b) of the Income Tax Act 2007.

## Application of variation

3. This variation applies to all companies who wished to elect to be an LTC and had not previously been required to file a return of income. It recognises that the impact of COVID-19 will have adversely affected some companies' ability to file their election on time, and this will mean they are unable to be treated as an LTC for the year in question. For this reason, the due date for providing this election has been extended.

## References

### Legislative references

Tax Administration Act 1994: ss 6H and 6I

Income Tax Act 2007: s HB 13(3)(b)

## About this publication

To help customers manage the impacts of COVID-19, the Commissioner now has a discretion to vary a requirement under an Inland Revenue Act (including for these purposes, the Unclaimed Money Act 1971). This discretion is found in ss 6H and 6I of the Tax Administration Act 1994 and applies from 17 March 2020 to 30 September 2021. This variation is an exercise of that power.