

DETERMINATION > COVID-19 VARIATION

Variation to section E1 1 of the Income Tax Act 2007

Issued: 18 June 2020

COV 20/06

EFFECTIVE: 18 June 2020 to 31 July 2020

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:

Under s EI 1 of the Income Tax Act 2007, for a person to allocate timber income derived in an income year ending on a date between 25 March 2019 and 30 June 2019 to any one or more of the person's previous three income years, the date the application in writing must be received by the Commissioner is extended to 31 July 2020.

Application date

This variation applies from 18 June 2020 to 31 July 2020.

Dated at Wellington on 18 June 2020.

Martin Smith

Chief Tax Counsel

Inland Revenue

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

Summary of effect

1. This variation supplements COV 20/02 by extending the income years to which it applies to those ending between 25 March 2019 and 30 June 2019 rather than between 25 March 2019 and 31 May 2019.
2. Section EI 1 of the Income Tax Act 2007 allows a person to allocate income from the disposal of timber or right to take timber, or the disposal of land with standing timber, to previous income years. The income may be allocated between the income year in

which it is derived and any 1 or more of the previous 3 income years. A person must apply in writing to the Commissioner no later than 1 year after the end of the income year in which they derive the income. The time for making that application, for income derived in an income year ending between 25 March 2019 and 30 June 2019, has been extended to 31 July 2020 using s 6I of the TAA.

Provisions affected

3. Section EI 1 of the Income Tax Act 2007.

Application of variation

4. This variation applies to a person who wishes to allocate to any 1 or more of the previous 3 income years timber income derived in an income year ending on a date between 25 March 2019 and 30 June 2019. Applications to allocate that income were due no later than one year after the end of the income year. The variation recognises that the impact of COVID-19 has adversely affected some taxpayers' ability to make an application on time, and would otherwise mean they are unable to spread the income to previous income years. For this reason, the due date for making the application has been extended.

References

Legislative references

Tax Administration Act 1994: ss 6H and 6I

Income Tax Act 2007: s EI 1

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.