

DETERMINATION > COVID-19 VARIATION

Variation to section EI 1 of the Income Tax Act 2007

Issued: 2 March 2022

COV 22/01

EFFECTIVE: 1 March 2022 to 31 July 2022

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 28 February 2021 and 30 June 2021 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 2022.

This variation only applies to a taxpayer that, during the period from 1 March to 30 June 2022, has had difficulty in making an application because of circumstances arising either from the imposition of COVID-19 response measures or as a consequence of COVID-19. This could include the impact of a key staff member or advisor having reduced availability, or the financial impact of COVID-19 causing significant disruption to the normal business operations of the taxpayer.

Application date

This variation applies from 1 March 2022 to 31 July 2022.

Signed at Wellington on 2 March 2022.

Jonathan Rodgers

Group Leader – Tax Counsel Office

Inland Revenue

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

Summary of effect

1. This variation extends the deadline for making an application to the Commissioner under s EI 1 to spread back income from timber to previous income years. The deadline under s EI 1 is one year from the end of a person's income year. This variation extends this deadline to 31 July 2022.

Provisions affected

2. Section EI 1(3) of the Income Tax Act 2007.

Application of variation

3. This variation applies to taxpayers with an income year ending on or between 28 February 2022 and 30 June 2022.
4. Customers can choose not to apply the variation to their circumstances. You can make that decision by taking a tax position, such as in a tax return, or by telling us. If you've already complied with the existing legislation in taking a tax position, we will consider that you have not chosen to apply the variation.

References

Legislative references

Tax Administration Act 1994: ss 6H and 6I

Income Tax Act 2007: s EI 1(3)

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 2022. This variation is an exercise of that power.