

DETERMINATION > COVID-19 VARIATION

Variation to section FN 7(5) of the Income Tax Act 2007

Issued: 4 March 2022

COV 22/04

EFFECTIVE: 4 March 2022 to 31 May 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:

For the 2022 tax year, s FN 7(5) of the Income Tax Act 2007 is varied to state that a notice of election to form an imputation group under subsection (1) and (4) has effect from the start of the tax year ending 31 March 2022, in circumstances where the Commissioner receives the notice after 31 March 2022 but before 1 June 2022.

This variation only applies where a taxpayer has had difficulty making a notice of election because of circumstances arising either from the imposition of COVID-19 response measures or because 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 4 March 2022 to 31 May 2022

Dated at Wellington on 4 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. Section FN 7(5) of the Income Tax Act 2007 provides that an election notice to form an imputation group has effect from the start of the tax year in which the Commissioner receives the notice.
2. The effect of the variation will be to extend the time for making an election to form an imputation group for the 2022 tax year. Taxpayers will now have until 31 May 2022 to provide the Commissioner with a notice of an election to form an imputation group. That election notice will be effective from the start of the 2022 tax year.
3. This variation will assist taxpayers who have been adversely affected by COVID-19 and have been unable to give the Commissioner a notice of election to form an imputation group in time.

Provision affected

4. Section FN 7 of the Income Tax Act 2007.

Application of variation

5. This variation applies to taxpayers who wish to form an imputation group for the 2022 tax year. The variation recognises that the impact of COVID-19 means that some taxpayers may not have been able to provide a notice of election to the Commissioner by the 31 March 2022 deadline. It provides those taxpayers with an additional two months to provide the Commissioner with a notice of election to form an imputation group.

References

Legislative references

Tax Administration Act 1994: ss 6H and 6I

Income Tax Act 2007: s FN 7(5)

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.