

DETERMINATION > COVID-19 VARIATION

Variation to section RC 15 of the Income Tax Act 2007

Issued: 10 March 2022

COV 22/14

EFFECTIVE: 10 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:

The deadline in section RC 15 by which a person must inform the Commissioner of their election to use a GST ratio for a tax year is extended:

- for a person with a February balance date to 30 April 2022
- for a person with a March or April balance date to 31 May 2022.

This variation only applies to a person that has had difficulty making an election or informing the Commissioner of their 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 person.

Application date

This variation applies from 10 March 2022 to 31 May 2022.

Dated at Wellington on 10 March 2022.

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Inland Revenue

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

Summary of effect

1. The effect of this variation is to extend the deadline by which a person with provisional tax obligations must have informed the Commissioner of their election under s RC 15 to use a GST ratio to calculate their provisional tax liability. The extension is to 30 April 2022 for a person with a February balance and to 31 May 2022 for a person with a March or an April balance date.

Provisions affected

2. Section RC 15 of the Income Tax Act 2007.

Application of variation

3. This variation applies to customers who wish to change their method of calculating provisional tax to the GST ratio method. The variation recognises that the impact of COVID-19 means that some customers may not have been able to choose to use a GST ratio and inform the Commissioner of their election before the start of their income year. It provides those customers with extra time to inform the Commissioner.
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 RC 15

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.