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Tax Administration (Write Off Amount) Order 2020

Issued: 27 July 2020

LI 2020/102

This Order in Council increases the threshold for writing off individual income tax assessments from \$50 to \$200 if the individual is subject to the auto-calculation rules.

START DATE
3 June 2020

Increase to the write-off threshold for individuals' automatically calculated income tax assessments

As part of the response to financial pressure on New Zealanders under COVID-19, the Government is increasing the threshold amount of individual income tax assessments written off from \$50 to \$200. This applies if the individual is subject to the rules in subpart 3B of the Tax Administration Act 1994 – commonly referred to as the auto-calculation rules.

Background

Income tax obligations for customers with only reportable income (income that has had tax withheld at source and is reported to Inland Revenue by the payers, for example, salary, wages and investment income) are automatically calculated by Inland Revenue. Customers are advised of the resulting refund or tax liability. Tax liabilities of \$50 and under are automatically written off under the current rules.

Key features

Section 22J(3) of the Tax Administration Act 1994 provides for schedule 8, part B, clause 1 of the Tax Administration Act 1994 to be amended by Order in Council to change the amount of tax payable that may be written off by the Commissioner. The Order increases this threshold to \$200.

Application date

The increase applies from 3 June 2020.

References

Legislative references

Tax Administration Act 1994: schedule 8, part B, clause 1.

About this document

New legislation articles provide an explanation of the changes made in recently enacted tax-related legislation including acts, general and remedial amendments, and Orders in Council.