

QUESTIONS WE'VE BEEN ASKED | PĀTAI KUA UIA MAI

# How do the bright-line rollover relief provisions apply to transfers of residential land between associated persons?

Issued | Tukuna: 9 May 2025

QB 25/15

This question we've been asked explains how the bright-line test and rollover relief provisions apply to transfers of residential land between associated persons on or after 1 July 2024. It considers the effect of rollover relief and sets out the criteria that need to be met for rollover relief to apply.

## Key provisions | Whakaratonga tāpua

Income Tax Act 2007 – ss CB 6A, CB 16A, FD 1, YB 2 to YB 13

## Question | Pātai

**How do the bright-line rollover relief provisions apply to transfers of residential land between associated persons on or after 1 July 2024?**

## Answer | Whakautu

**Under the bright-line test, any amount a person derives from the disposal of residential land that they sold within 2 years of their "bright-line start date" is income unless one of the exclusions to the bright-line test applies.**

**The rollover relief provisions allow a transfer between certain persons to effectively be ignored for the purposes of the bright-line test. The rollover relief provisions can apply to a disposal regardless of whether the bright-line test applies to the transferor.**

**If rollover relief applies, for the purposes of the bright-line test:**

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- the transfer is treated as a disposal and acquisition for an amount equal to the transferor's cost;
- the transferee's bright-line start date for the land is the transferor's bright-line start date; and
- the transferor's use of the residential land is attributed to the transferee in determining whether the main home exclusion applies.

Rollover relief can apply to transfers between associated persons within one of two broad categories.

The first category deals with transfers of residential land between persons associated under any of the associated person tests contained in ss YB 2 to YB 13. The persons must meet the associated persons test both at the date of disposal and for at least 2 years before that date (s FD(1)(1)(a)).

The second category deals with transfers of residential land to a trustee of a trust in which all the beneficiaries (other than the transferor in their capacity as a beneficiary) are either (s FD (1)(1)(b)):

- associated with the transferor at the date of disposal and for at least 2 years before that date;<sup>1</sup> or
- a charitable organisation.

Rollover relief can apply to transfers of residential land only once in a 2-year period.

## Key terms | Kīanga tau tāpua

**Associated persons** means persons associated under any of the categories of associated persons contained in ss YB 2 to YB 13.

**Bright-line end date** is the date that triggers the application of the bright-line test in s CB 6A. This date can vary but, in the context of transfers between associated persons it will commonly be the date on which the interest in land is disposed of.

**Bright-line period** is the period beginning with the bright-line start date for the land and ending with the bright-line end date for the land.

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<sup>1</sup> There is an exception for persons who have become associated due to birth, adoption, marriage, civil union, or the start of a de facto relationship. They must be associated with the transferor since birth, adoption, marriage, civil union, or the start of the de facto relationship, as applicable.

**Bright-line start date** is the date that the bright-line period starts. This date can vary, but it will typically be the date on which the instrument to transfer the land to the person was registered under the Land Transfer Act 2017.

## Explanation | Whakamāramatanga

### Introduction

1. The bright-line test taxes a person's disposal of residential land if their bright-line end date is within 2 years of their bright-line start date (s CB 6A).<sup>2</sup>
2. Generally, a person's bright-line start date will be the date the transfer of the land is registered to the person under the Land Transfer Act 2017. However, there are different start dates for specific circumstances, for example, where property is acquired off the plans. For more information, see [QB 25/11: When is the bright-line start date for the 2-year bright-line test?](#)
3. Rollover relief from the bright-line test is available for certain transfers of residential land. Rollover relief ensures the disposal is not taxed under the bright-line test at the time of the disposal. It defers the taxing point until a later disposal of land occurs that does not qualify for rollover relief. The transferee essentially steps into the shoes of the transferor, so the bright-line clock and cost base do not reset.
4. The bright-line test applies only where none of the other land sale rules in ss CB 6 to CB 12 applies.
5. Rollover relief applies to a disposal regardless of whether the bright-line test applies to the transferor. A person cannot elect out of the rollover relief provisions.
6. This question we've been asked (QWBA) explains how rollover relief for associated persons (s FD 1) applies to the bright-line test.
7. This QWBA does not consider ss FD 2 and FD 3, which deal with the relief available for Māori rollover trusts and certain transfers of residential land included in Treaty of Waitangi settlements. See [IR1229: Bright-line property tax – for residential property sold from 1 July 2024](#) for further details on these provisions.
8. All legislative references are to the Income Tax Act 2007 unless otherwise stated.

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<sup>2</sup> This item applies to transfers of residential land on or after 1 July 2024. For disposals of residential land that occurred before 1 July 2024, you should consider the previous 5-year or 10-year bright-line tests and the rollover relief provisions that applied to those tests.

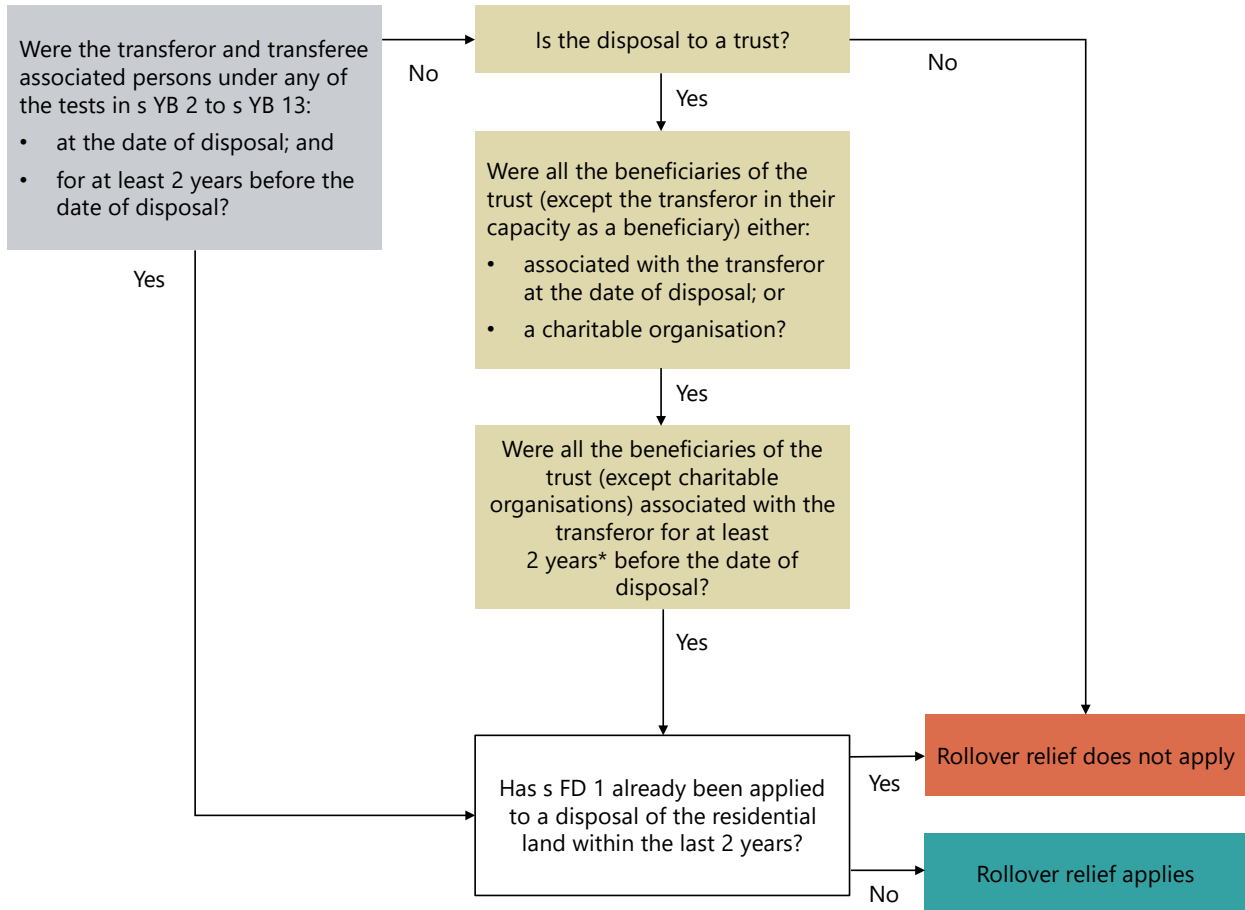
## Rollover relief

9. Rollover relief under s FD 1 will apply to transfers between associated persons within one of two broad categories.
10. The first category deals with the disposal of residential land by a person (the transferor) to another person (the transferee) where the persons are associated under any of ss YB 2 to YB 13 both at the date of transfer and for at least 2 years before that date.
11. The second category deals with transfers of residential land by a transferor to a trustee of a trust in which all the beneficiaries, other than the transferor in their capacity as a beneficiary, are either:
  - associated with the transferor at the date of transfer and for at least 2 years before that date;<sup>3</sup> or
  - an association, club, institution, society, organisation or trust that is not carried on for the private profit of any person and whose funds are applied wholly or principally to any civic, community, charitable, philanthropic, religious, benevolent, or cultural purpose, whether in New Zealand or elsewhere.
12. For a discussion of each of these broad categories, see [28] and [34] respectively.
13. Figure | Hoahoa 1 shows how to work out whether the rollover relief provisions apply to a transfer of residential land.

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<sup>3</sup> There is an exception for persons who have become associated due to birth, adoption, marriage, civil union, or the start of a de facto relationship. In those circumstances, they must be associated with the transferor since birth, adoption, marriage, civil union, or the start of the de facto relationship as applicable.

**Figure | Hoahoa 1 – Determining whether the bright-line rollover relief provision for transfers between associated persons applies**



\*Other than persons who have become associated due to birth, adoption, marriage, civil union or de facto relationship, who need only to have been associated since the birth, adoption, marriage, civil union or the start of the de facto relationship, as applicable.

### Effect of rollover relief

14. Rollover relief affects both the transferor’s and the transferee’s treatment of the transfer of residential land.
15. If s FD 1 applies to a transfer of residential land, for the purposes of the bright-line test:
  - the transfer is treated as a disposal and acquisition for an amount equal to the transferor’s cost;

- the transferee's bright-line start date for the land is the transferor's bright-line start date; and
- the transferor's use of the residential land is attributed to the transferee in determining whether the main home exclusion (s CB 16A) applies.

16. Each of these situations is discussed below.

### **Transfer for an amount equal to transferor's cost**

17. If s FD 1 applies, the transfer is treated as a disposal and acquisition for an amount equal to the transferor's cost.
18. That is, the transferor is treated as having disposed of the residential land for what it cost them. This cost includes the amount they purchased the land for and the cost of any capital improvements. If the bright-line test applies, this is the amount of income the transferor is treated as deriving. However, under the bright-line test, a person is allowed a deduction for their cost (s DB 23).<sup>4</sup> Therefore, if the transfer is within the bright-line test but rollover relief applies, the transferor will not make a net gain on the transfer. This is because they are able to claim a deduction for the cost of the residential land which offsets the amount of income they are treated as deriving.
19. Although the transferor will not make a net gain, they must complete and file an [IR833: Bright-line residential property sale information](#) form showing their property sale income and costs, with their income tax return.
20. The transferee will be treated as acquiring the residential land for an amount equal to the transferor's cost. Rollover relief does not provide the transferee with an uplift in the acquisition cost of the residential land. This is the case even if the transferee purchased the residential land for more than what the transferor paid for it. While the transferee is treated as acquiring the residential land for an amount equal to the transferor's cost, if the transferee subsequently makes any capital improvements to the residential land, those capital improvements will be part of the transferee's cost.

### **Transferee takes on transferor's bright-line start date**

21. If s FD 1 applies, the transferee is treated as taking on the transferor's bright-line start date for the purpose of the bright-line test. This means that the time the transferor owned the residential land is taken into account in determining whether the bright-line

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<sup>4</sup> Land that on disposal gives rise to income under the bright-line test is a category of revenue account property. Under s DB 23, a person is allowed a deduction for expenditure that they incur as the cost of revenue account property.

test applies to a disposal by the transferee. That is, the 2-year bright-line clock does not reset.

22. Generally, the transferor's bright-line start date is the date on which the instrument to transfer the land to them was registered under the Land Transfer Act 2017. However, the transferor's bright-line start date will be a different date if one of the specific conditions listed in the Act applies (s CB 6A(2)). For further discussion on the bright-line start date, see QB 25/11.
23. The following transitional rules apply if the transferor acquired the land before 1 July 2024:
  - If the transferor acquired the residential land before 27 March 2021, the bright-line start date the transferee takes on is 27 March 2021.
  - If the transferor acquired the residential land before 1 July 2024 and on or after 27 March 2021, the transferor's bright-line acquisition date is the date that the transferee takes on as their bright-line start date. This means if the transferor received rollover relief under an earlier bright-line test, the benefit of any earlier rollover relief continues under the current bright-line test.

### **Transferor's use of residential land attributed to transferee**

24. If s FD 1 applies, the transferor's use of the residential land is attributed to the transferee in determining whether the main home exclusion in s CB 16A applies.
25. The main home exclusion provides that the bright-line test for residential land does not apply if the land was used predominantly for a dwelling that was the person's main home. That is, the person must use the land as their main home for more than 50% of the bright-line period (ie, the period starting on the bright-line start date and ending on the bright-line end date).
26. The transferor's use of the residential land being attributed to the transferee means that if the transferor used the residential land as their main home when they owned it, the transferee receives the benefit of this use (see Example | Taura 2 – Rollover relief for sale of main home). Potentially the transferee stands to benefit even if the transferor does not satisfy the main home exclusion (eg, because the residential land was the transferor's main home for less than 50% of the bright-line period). However, if the residential land was not the transferor's main home for some or all of the time they owned it, the attribution of the transferor's use may be detrimental to the transferee.
27. There may be situations where co-owners have different uses of the residential land. The residential land may be used as the main home for one co-owner but not for the

other co-owner(s). It has been suggested that if the cumulative area used as a main home by the co-owners is more than 50% of the total area, then the transferee is attributed this main home use for the whole residential land. The Commissioner does not agree with this interpretation. A transferee will be attributed the use of the residential land by each of the transferors (co-owners) in the proportion of the transferor's share in the residential land. For example, if there are two transferors whose shares in the residential land are 65% and 35% respectively, the transferee will be attributed each transferor's use of the residential land in the same proportion as the transferors' 65% and 35% shares. The transferee will need to separately track the attributed use of each transferor.

## Transfers between two associated persons

28. The first category of associated persons (s FD 1(1)(a)) consists of transfers between persons associated under any of ss YB 2 to YB 13.
29. [IR620: A guide to associated persons definitions for income tax purposes](#) explains the associated persons tests in detail. However, in general terms the relevant classes of relationships are:
- two companies with 50% or more common ownership (s YB 2);
  - a company and a person other than a company if the person has a 25% or more voting interest in the company (s YB 3);
  - two relatives within two degrees of blood relationship (s YB 4);
  - a person and a trustee of a trust if a relative of the person is a beneficiary of the trust (s YB 5);
  - a trustee of a trust and a person who has benefited or is eligible to benefit under the trust (s YB 6);
  - a trustee of a trust and a trustee of another trust if the same person is a settlor of both trusts (s YB 7);
  - a trustee of a trust and a settlor of the trust (s YB 8);
  - a settlor of a trust and a person who has benefited or is eligible to benefit under the trust (s YB 9);
  - a trustee of a trust and a person who has a power of appointment or removal of the trustee (s YB 11);
  - a partnership and a partner in the partnership (s YB 12); or

- a look-through company and a person who has a look-through interest for the look-through company and who is a director or employee for the look-through company (s YB 13).
30. Some of the above associated person relationships are modified or do not apply for the “land provisions”. For example, s YB 2(5) contains a specific aggregation rule for the purposes of the “land provisions”. Any modification or exclusion that refers to the “land provisions” **does not apply to the bright-line test**. The Act specifically defines the term “land provisions” and the definition **does not include the bright-line test**.
31. The transferor and transferee must be associated under one of the tests at [29] both:
- at the date of transfer; and
  - for at least 2 years before that date.
32. The second condition is relevant if either the transferor or transferee was formed or incorporated within 2 years before the date of transfer<sup>5</sup> (see Example | Taura 1 – Rollover relief for transfer between associated persons), or if the persons both existed but were not associated for the 2 years immediately before the transfer.
33. If the transferor and transferee have not been associated for at least 2 years before the date of transfer, rollover relief under this category will not apply (see Example | Taura 3 – Rollover relief and co-ownership). There is no exception to the 2-year period for persons who have become associated due to birth, adoption, marriage, civil union, or the start of a de facto relationship, as there is for the test for transfers to trustees (see [36]).

### Example | Taura 1 – Rollover relief for transfer between associated persons

A Co Limited and B Co Limited were both incorporated on 10 August 2021. Sophie has owned all the shares in A Co Limited and B Co Limited since they were incorporated.

A Co Limited acquired residential land in Auckland. The transfer for the residential land was registered under the Land Transfer Act 2017 on 15 April 2022.

A Co Limited decided to transfer the residential land to B Co Limited. The transfer was completed on 1 August 2024. This is A Co Limited’s bright-line end date. A Co Limited’s bright-line start date was 15 April 2022 – the date the land transfer to A Co Limited was registered (s CB 6A(2), row 1).

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<sup>5</sup> However, s FD 1(1)(b) may apply to transfers to the trustees of a trust – see at [34].

The bright-line test does not apply to A Co Limited because A Co Limited's bright-line end date (1 August 2024) was not within 2 years of its bright-line start date (15 April 2022).

Rollover relief applies because A Co Limited and B Co Limited are associated persons (two companies with 50% or more common voting interests) and were associated at the date of transfer and for more than 2 years before the date of transfer.

The effect of rollover relief, for the purposes of the bright-line test, is as follows:

- B Co Limited is treated as acquiring the residential land for an amount equal to A Co Limited's cost.
- B Co Limited's bright-line start date is 15 April 2022 (A Co Limited's bright-line start date).

B Co Limited transfers the residential land to Robin on 15 February 2025.

B Co Limited's bright-line end date (15 February 2025) is not within 2 years of its bright-line start date (15 April 2022). As such, B Co Limited will not be taxed for the disposal of the residential land under the bright-line test.

If the disposal from A Co Limited to B Co Limited had been within 2 years of A Co Limited's bright-line start date, the bright-line test would have applied and A Co Limited would have been treated as deriving an amount of income equal to the cost of the residential land to it. However, this would have been offset by A Co Limited being allowed a deduction for the cost of the residential land (s DB 23). As such, there would have been no tax consequences for A Co Limited under the bright-line test (though A Co Limited would have needed to complete and file an [IR833](#) with its income tax return).

### Example | Taura 2 – Rollover relief for sale of main home

Erin purchased a residential property in Hanmer Springs. The transfer to Erin was registered on the title under the Land Transfer Act 2017 on 28 February 2023.

The property in Hanmer Springs was Erin's main home and she lived in the home from 28 February 2023 until 31 August 2024.

On 24 August 2024, Erin entered into an agreement to sell the property to her brother, Thomas. The sale was settled, and transfer was registered on the title under the Land Transfer Act 2017 on 31 August 2024.

Erin's bright-line end date (31 August 2024) is within 2 years of her bright-line start date (28 February 2023). However, rollover relief applies to the transfer from Erin to Thomas as they are associated persons (within two degrees of blood relationship)<sup>6</sup> and were associated at the date of transfer and for more than 2 years before the date of transfer.

The effect of rollover relief, for the purposes of the bright-line test, is as follows:

- Erin is treated as disposing of the land for an amount that equals the cost of the property. However, as Erin meets the criteria for the main home exclusion, this amount would not be income under the bright-line test. If Erin was not able to use the main home exclusion, she would be treated as deriving an amount of income equal to the cost of the property to her, but this would be offset by a deduction Erin is allowed for the cost of the residential land (s DB 23). As such there would be no tax consequences for Erin under the bright-line test, even if she was not able to use the main home exclusion.
- Thomas is treated as acquiring the residential land for an amount equal to Erin's cost.
- Thomas' bright-line start date is 28 February 2023 (Erin's bright-line start date).
- Thomas is attributed Erin's use of the Hanmer Springs property as her main home from 28 February 2023 to 31 August 2024.

Thomas used the Hanmer Springs property as a holiday home and it was not his main home. Thomas sells the Hanmer Springs property, and his bright-line end date is 31 January 2025.

Thomas' bright-line end date (31 January 2025) is within 2 years of his bright-line start date (28 February 2023). Thomas will be subject to tax on the disposal of the Hanmer Springs property unless an exclusion to the bright-line test applies.

The main home exclusion will apply if the Hanmer Springs property was used predominantly as Thomas' main home for more than 50% of the bright-line period (ie, the time beginning with the bright-line start date and ending on the bright-line end date).

The effect of rollover relief is that Thomas owned the Hanmer Springs property for 23 months (28 February 2023 to 31 January 2025) and it is treated as his main home for 18 months (28 February 2023 to 31 August 2024) due to the attribution of Erin's use.

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<sup>6</sup> See from [28].

Because the Hanmer Springs property is treated as Thomas' main home for more than 50% of the bright-line period (18 of the 23 months), the main home exclusion will apply, and Thomas will not be taxed under the bright-line test on the disposal of the Hanmer Springs property.

### Example | Taura 3 – Rollover relief and co-ownership

Steven purchased residential land in Auckland for \$850,000. The transfer of the land was registered under the Land Transfer Act 2017 on 7 February 2020.

In September 2024, Steven decided to sell the residential land to his daughter, Maeve and son-in-law, Ezra for market value (\$1,200,000). Maeve and Ezra were married on 13 September 2024 and had been in a de facto relationship for the 6 months prior.

On 17 September 2024 the agreement for sale and purchase was entered into and the transfer was completed on 30 September 2024. This is Steven's bright-line end date. Steven's bright-line start date was 7 February 2020 – the date the land transfer to him was registered (s CB 6A(2), row 1).

The bright-line test does not apply to Steven as his bright-line end date is not within 2 years of his bright-line start date.

Rollover relief applies to the transfer from Steven to Maeve because Steven and Maeve were associated persons both at the date of transfer and for more than 2 years before the date of transfer.

The effect of rollover relief, for the purposes of the bright-line test, is as follows:

- Maeve is treated as acquiring a ½ share in the residential land for an amount equal to ½ of Steven's cost (\$425,000).
- Maeve's bright-line start date is 27 March 2021 as Steven acquired the land before 27 March 2021.

Rollover relief will not apply to the ½ share in the residential land that Steven transferred to Ezra. Steven and Ezra were not associated for the 2-year period before the date of transfer.

The effect of the transfer of the ½ share to Ezra, for the purposes of the bright-line test, is as follows:

- Ezra's bright-line start date for his ½ share of the residential land is 30 September 2024.

- Ezra has acquired his ½ share of the residential land for \$600,000.

If the transfer had been within 2 years of Steven's bright-line start date, Steven would have had the following tax outcomes:

- There would be no tax consequences for Steven under the bright-line test with respect to the ½ share of the residential land that he transferred to Maeve. Steven would be treated as deriving \$425,000 (equal to the cost of a ½ share of the land), but this would be offset by the provision allowing Steven to have a deduction for \$425,000 (½ the cost of the land) (s DB 23).
- Steven would have net income of \$175,000 from the sale of the ½ share of land to Ezra. Steven would derive \$600,000 from the sale of the ½ share, but this would be partly offset by Steven being allowed a deduction under s DB 23 for \$425,000 (½ the cost of the land).

## Transfers to trustees of a trust

34. The second category of associated persons (s FD 1(1)(b)) deals with disposals to the trustees of a trust (see Example | Tauria 4 – Rollover relief for transfer to trust). This category provides rollover relief only for transfers **to** the trustees of a trust, not for transfers **from** a trust.
35. Rollover relief will apply to transfers to the trustees of a trust if all the beneficiaries (other than the transferor in their capacity as a beneficiary) of the trust are either:
  - persons associated with the transferor at the date of transfer and for at least 2 years before the date of transfer (subject to the exception noted at [36]); or
  - charitable organisations.
36. An exception applies to the requirement that the persons were associated for at least 2-years before the transfer for persons who have become associated due to birth, adoption, marriage, civil union or the start of a de facto relationship. In those situations, they must be associated with the transferor since birth, adoption, marriage, civil union or the start of the de facto relationship, as applicable.
37. This category can apply to newly settled trusts as the 2-year period of association requirement applies to only the transferor and the beneficiaries of the trust; there is no 2-year period of association requirement involving the trustees.

### Example | Taura 4 – Rollover relief for transfer to trust

Wang Mei is one of the trustees of the Wang Family Trust. The beneficiaries of the Wang Family Trust are Mei, her adult children and her grandchildren.

Mei owns residential land in Wellington that was transferred to her on 1 May 2020.

Mei decided to transfer the land to the trustees of the Wang Family Trust and the transfer was completed on 31 October 2024. This is Mei's bright-line end date. Mei's bright-line start date was 1 May 2020 – the date the land transfer to her was registered (s CB 6A(2), row 1).

The bright-line test does not apply to Mei because her bright-line end date (31 October 2024) was not within 2 years of her bright-line start date (1 May 2020).

Rollover relief applies to the transfer from Mei to the Wang Family Trust because all the beneficiaries (other than Mei) were associated with Mei at the date of transfer (31 October 2024) and for at least 2 years before that.

The effect of rollover relief, for the purposes of the bright-line test is as follows:

- The Wang Family Trust is treated as acquiring the residential land for an amount equal to Mei's cost.
- The Wang Family Trust's bright-line start date is 27 March 2021 (as Mei acquired the land prior to 27 March 2021).

Subsequently the trustees decided to dispose of the land and the transfer was completed on 4 February 2025. This is the Wang Family Trust's bright-line end date.

The Wang Family Trust's bright-line end date (4 February 2025) is not within 2-years of its bright-line start date (27 March 2021). Therefore, the Wang Family Trust will not be taxed on the disposal of the Wellington property.

If the transfer had been within 2 years of Mei's bright-line start date, Mei would have been treated as deriving an amount of income equal to the cost of the property to her, but this would have been offset by a deduction Mei would have been allowed for the cost of the residential land (s DB 23). As such there would have been no tax consequences for Mei under the bright-line test (though Mei would have needed to complete and file an [IR833](#) with her income tax return).

### Limitation on rollover relief

38. Rollover relief can apply to a transfer of residential land only once in a 2-year period. This means that if rollover relief had previously been applied to a transfer of a specific

area of residential land, rollover relief cannot apply to a subsequent transfer of the residential land unless 2 years had passed from the date of the first transfer (see Example | Taura 5 – Rollover relief does not apply due to limitation).

### Example | Taura 5 – Rollover relief does not apply due to limitation

Oliver transferred residential land to his brother, Kiwa, on 5 November 2024. Oliver's bright-line start date was 15 July 2024.

Rollover relief applies to the transfer from Oliver to Kiwa as they are associated persons (within two degrees of blood relationship) and were associated at the date of transfer for more than 2 years before the date of transfer.

The effect of rollover relief, for the purposes of the bright-line test, is as follows:

- Oliver is treated as disposing of the land for an amount that equals the cost of the land to him. However, Oliver's income would be offset by a deduction he is allowed for the cost of the residential land (s DB 23). As such there would be no tax consequences for Oliver under the bright-line test (though he would need to complete and file an [IR833](#) with his income tax return).
- Kiwa is treated as acquiring the residential land for an amount equal to Oliver's cost.
- Kiwa's bright-line start date is 15 July 2024 (Oliver's bright-line start date).

Kiwa has a 50% partnership share in a limited partnership. Kiwa and his friend formed the limited partnership in January 2020. Kiwa and the limited partnership are associated persons as Kiwa has more than a 25% share in the limited partnership.

Kiwa decides to sell the residential land to the limited partnership. The sale and purchase agreement is entered into on 10 April 2025 and the transfer is registered under the Land Transfer Act 2017 on 30 April 2025.

As rollover relief can apply only once to residential land in a 2-year period, rollover relief does not apply to the transfer by Kiwa to the limited partnership.

The bright-line test will apply, as Kiwa's bright-line end date (30 April 2025) is within 2 years of his bright-line start date (15 July 2024). The amount of income Kiwa is treated as deriving is the sale price or the market value of the land if the sale was for less than market value (s GC 1). Kiwa is treated as acquiring the property from Oliver for an amount equal to the cost of the property to Oliver, and Kiwa is allowed a deduction for that amount (s DB 23). As such, Kiwa will be taxed under the bright-line

test on any gain in value from the time Oliver acquired the property to the time the property was sold to the limited partnership (s CB 6A).

The limited partnership's bright-line start date will be 30 April 2025.

## References | Tohutoro

### Legislative references | Tohutoro whakatureture

#### Income Tax Act 2007

Sections CB 6A, CB 6 to CB 12, CB 16A, DB 23, FD 1, FD 2, FD 3, GC 1, YB 2 to YB 13

#### Land Transfer Act 2017

### Other references | Tohutoro anō

A guide to associated persons definitions for income tax purposes – IR620 (guide, Inland Revenue, 2024)

[ird.govt.nz/managing-my-tax/associated-persons](https://www.ird.govt.nz/managing-my-tax/associated-persons)

Bright-line property tax – for residential property sold from 1 July 2024 – IR1229 (guide, Inland Revenue, 2024)

[ird.govt.nz/property/buying-and-selling/when-you-need-to-pay/the-brightline-test/ownership-transfers-and-rollover-relief](https://www.ird.govt.nz/property/buying-and-selling/when-you-need-to-pay/the-brightline-test/ownership-transfers-and-rollover-relief)

QB 25/11: When is the bright-line start date for the 2-year bright-line test?

<https://www.taxtechnical.ird.govt.nz/questions-we-ve-been-asked/2025/qb-25-11>

## About this document | Mō tēnei tuhinga

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