

5 May 2021

Hon David Parker, Attorney-General

Consistency with the New Zealand Bill of Rights Act 1990: Income Tax (Adjustment of Taxable Income Ranges) Amendment Bill

Please find attached our advice about the consistency of this Bill with the New Zealand Bill of Rights Act 1990. We have concluded that the Bill appears to be **consistent** with that Act.

Details of the Bill

Member:	Hon Simon Bridges	Bill Type:	Member's Bill
Committee:	Not Applicable (Non-Government Bill)	Members' Day:	12/05/2021

Recommendations

Note the attached advice about the consistency of the Bill with the New Zealand Bill of Rights Act 1990.	YES / DISCUSS
Direct the Ministry of Justice to publish the advice on its website.	YES / NO
Refer a copy of the advice to the Minister of Finance.	YES / NO
Refer a copy of the advice to the Minister of Justice.	YES / NO
Refer a copy of the advice to Hon Simon Bridges.	YES / NO

Contacts for telephone discussion (if required)

Name	Position	Telephone		1st contact
		(work)	(a/h)	
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Hon David Parker
Attorney-General
/ / 2021

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Purpose

1. We have considered whether the Income Tax (Adjustment of Taxable Income Ranges) Amendment Bill (the Bill) is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 (the Bill of Rights Act).
2. The Bill amends the Income Tax Act (the Act) to require a review of income tax brackets every three years and adjust the brackets as necessary for inflation.
3. Clause 4 of the Bill inserts a new definition of specified dollar range into s YA 1 of the Act which defines what tax brackets will be reviewed and adjusted. This includes the taxable income, fringe benefit, and employer's superannuation contribution tax ranges set out in Schedule 1 of the Act and the prescribed investor rate tax range set out in Schedule 6 of the Act.
4. Clause 5 of the Bill inserts new ss YA 2A and YA 2B into the Act. New s YA 2A requires the Commissioner to review all specified dollar ranges 12 months after a general election to determine if they should be adjusted to reflect inflation over the past three years. New s YA 2B provides that adjustments to specified dollar ranges can be made through regulations by Order in Council on recommendation by the Minister of Finance. The Minister may decline to recommend adjustments. If so, new s YA 2A(5) requires that the Minister inform the House of Representatives and explain their reasons for declining to recommend adjustments.
5. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



Jeff Orr
Chief Legal Counsel
Office of Legal Counsel