

The Treasury

Budget 2024 Information Release

September 2024

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From: [Jean Le Roux \[TSY\]](#)
To: [Melissa Siegel](#); [^IRD: David Carrigan](#); [Kerryn McIntosh-Watt](#); [^IRD: Emma Grigg](#); [Claire McLellan \[TSY\]](#); [^IRD: Ben Smith](#); [^IRD: Phil Whittington](#); [Lonnie Liu](#); [Helen Kuy](#)
Subject: RE: Readout and action points from Joint Ministers
Date: Wednesday, 6 December 2023 2:21:00 pm

Kia ora Melissa

Many thanks for the readout below.

From a Treasury perspective, I can confirm that none of the tax measures need to be included in Mini Budget (and therefore they don't need to go into the Mini Budget Cabinet paper if MoF's decision is to progress them at the New Year).

We will work with IR colleagues to action the rest of your email.

Cheers

Jean

From: Melissa Siegel <Melissa.Siegel@parliament.govt.nz>
Sent: Wednesday, 6 December 2023 12:20 pm
To: ^IRD: David Carrigan <David.carrigan@ird.govt.nz>; Kerryn McIntosh-Watt <Kerryn.McIntosh-Watt@ird.govt.nz>; ^IRD: Emma Grigg <Emma.Grigg@ird.govt.nz>; Claire McLellan [TSY] <Claire.McLellan@treasury.govt.nz>; Jean Le Roux [TSY] <Jean.LeRoux@treasury.govt.nz>; ^IRD: Ben Smith <Ben.Smith@Ird.govt.nz>; ^IRD: Phil Whittington <Phil.Whittington@ird.govt.nz>; Lonnie Liu <Lonnie.Liu@parliament.govt.nz>; Helen Kuy <Helen.Kuy@parliament.govt.nz>
Subject: Readout and action points from Joint Ministers

Kia ora

Here is our understanding of the action points from yesterday's meetings. I'm in the process of getting written decisions on the timing of delivery report, so the signed report is a work in progress.

I've been told that IR is still keen to include the first three items in the mini-Budget Cabinet paper even though there is no strict time requirement to do so. Normally, I would be alright with this but given everything else going on, the focus is on what absolutely needs to be done before Christmas. I've had a chat with advisors and Ministerial bandwidth is very limited - only like time-critical (i.e., needs to be happen before Christmas) items should be in the Cabinet paper.

1. Phasing in of interest deductibility

Third option for phasing back in if the costings allow it based on Ministerial discussions:

1 April 2023 – 31 March 2024	1 April 2024 – 31 March 2025	1 April 2025 onwards
50%	80%	100%

I.e., no change to percentage for the current tax year, but accelerated phase in for the next two years.

Can be legislated via SOP at the CowH stage of the annual rates bill – strictly speaking does not need to be done as part of mini-Budget.

Actions for officials:

- Confirm with office that it doesn't need to go into the mini-Budget Cabinet paper
- Revised fiscals based on approach outlined in table above
- Check assumptions – further decisions may need to be taken regarding people who acquired property after 27 March 2021 who aren't currently subject to phasing because they've had their deductions denied since 1 October 2021.

2. Commercial depreciation

Technically don't need the decision at mini-Budget, but emphasis on being able to count the money as it is a significant savings. To go into the SOP at the CowH stage of the annual rates bill.

Actions for officials:

- Confirm with office that it doesn't need to go into the mini-Budget Cabinet paper
- Consult on details with private sector

3. Bright-line test – 2 years

Can be legislated via an SOP at the CowH to the annual rates bill.

Actions for officials:

- Confirm with office that it doesn't need to go into the mini-Budget Cabinet paper

4. Family boost

Ministers interested in understanding the earliest it can be delivered in some form vs how long it would take to deliver the policy as promised in the election campaign.

Issue largely lies with providers and lack of pre-existing relationship between them and IR, as well as data being collected (at the child level) vs what would need to be collected (at the family level)

Timing: not mini-Budget therefore no urgency around immediacy of advice. Early NY seems to be okay.

Actions for officials:

- Come back with options on timing of delivery, in what form (e.g., potential backdating of payments to 1 July for the initial batch; start with paper-based system progress to full delivery etc), admin implications for IR. Advice should cover broad range of options, not just what is immediately deliverable.

Action point for Melissa:

- I am in the process of confirming whether consultation with ECE providers can be undertaken.

5. IWTC

Timing: Budget.

6. **Online gambling**

Actions for officials:

- Advice to come as soon as practicable

7. **GST on digital platforms**

Confirmation that it isn't being repealed.

8. **Personal income tax changes**

Ministers would like to say something at mini-Budget even if not confirmed.

Following initial advice below, a meeting will be set up with Minister Seymour to discuss.

Actions for officials:

- Provide high-level/initial advice on whether the quantum and distribution of National's election policy can be delivered in a different way in the same amount of time
- Process to be started before Xmas
- Officials to begin discussions with software providers

9. **WFF abatement threshold changes**

Not being progressed for now.

Happy to discuss!

Ngā mihi

Melissa Siegel (she/her)

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