



# Cabinet

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Goods and Services Tax (Grants and Subsidies) Amendment Order 2020

**Portfolio**                      **Revenue**

On 23 March 2020, Cabinet:

- 1        **noted** that on 16 March 2020 Cabinet agreed:
  - 1.1      to the introduction of the COVID-19 Wage Subsidy scheme;
  - 1.2      to the introduction of the COVID-19 Leave Payment scheme;

[CAB-20-MIN-0103, CAB-20-MIN-0105, CAB-20-MIN-0108]
- 2        **noted** that an Order in Council under the Goods and Services Act 1985 is required to declare that the COVID-19 Wage Subsidy and the COVID-19 Leave Payment (“the payments”) will not be subject to goods and services tax (GST);
- 3        **authorised** the submission to the Executive Council of the Goods and Services Tax (Grants and Subsidies) Amendment Order 2020 [PCO 22809/5.0];
- 4        **noted** that applications for the COVID-19 Wage Subsidy scheme and COVID-19 Leave Payment scheme opened on 17 March 2020;
- 5        **agreed** that the Goods and Services Tax (Grants and Subsidies) Amendment Order 2020 apply in respect of all payments made under the schemes in paragraph 1 from the date the Order comes into force;
- 6        **agreed** that an amendment should be included in the Bill which contains the tax measures agreed to by Cabinet on 16 March 2020 which ensures that GST does not apply to the payments made between 17 March 2020 and the date the Order comes into force;
- 7        **noted** that a waiver of the 28-day rule is sought because of the urgency of the move, and the power it confers will apply to events before the making of the Order;
- 8        **agreed** to a waiver the 28-day rule so that the Order can come into force on the day after its notification in the Gazette;
- 9        **noted** that on 16 March 2020, Cabinet agreed that the provision allowing Inland Revenue to share information for COVID-19 outbreak related purposes should apply from the date of enactment [CAB-20-MIN-0103];

- 10 **agreed to:**
- 10.1 rescind the decision referred to in paragraph 9; and instead
  - 10.2 enable Inland Revenue to share information for COVID-19 outbreak related purposes from the date of announcement, 17 March 2020;
- 11 **noted** that on 16 March 2020, Cabinet agreed that the threshold for low-value asset write-off threshold be increased from \$500 to \$5,000 for the 2020-21 income year, reducing to \$1,000 for the 2021-22 and later income years [CAB-20-MIN-0108];
- 12 **agreed to:**
- 12.1 rescind the decision referred to in paragraph 11; and instead
  - 12.2 the threshold being \$5,000 for property acquired within 12 months of the announcement date (17 March 2020), and at the end of this 12-month period the threshold should be reduced to \$1,000.

Michael Webster  
Secretary of the Cabinet

Proactively Released