

## **CHANGES IN THE NEW TAX BILL: WINNERS AND LOSERS**

There are winners and losers in the income tax changes that are proposed in the Annual Rates Tax Bill introduced on 14 September 2011. The winners: taxpayers with failed software development costs, and taxpayers who have incurred expenditure on account of an employee in respect of future employment-related expenditure to be incurred by employees. Both types of expenditure are to be deductible from 2008-09 onwards.

The losers: taxpayers who receive shares under a profit distribution plan (PDP) (to be taxable from 1 July 2010) and tax consolidated groups that remit intra-group loans that were advanced before the parties were in the consolidated group, even though they may have been in an ordinary tax company group at the time the loan was made (to be taxable from 2008-09 unless a return taking a contrary position was filed before 23 August 2011). See the Larger Companies section for more details.

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