

MINISTRY OF
JUSTICE

14 February 2002

Mr Steve A R Wilton
Business Director
Forest Enterprises Ltd
PO Box 128
MASTERTON

Dear Mr Wilton

Property (Relationships) Amendment Act

Thank you for your letter of 8 February enquiring about why no consequential amendment was made to section OB3(3)(b) of the Income Tax Act 1994 by the Property (Relationships) Amendment Act 2001.

As you know, the Property (Relationships) Amendment Act introduced changes into the law to ensure that the same property sharing rules apply to de facto (including same sex) couples when they separate as previously applied to married couples. The Act also introduced a number of other changes, such as applying the same property sharing rules on the death of a partner and introducing new rules dealing with economic disparity.

Consequential changes made in the Act to other legislation relate directly to these property sharing rules. Because section OB3(3)(b) of the Income Tax Act deals with the separate matter of who shall be treated as a single shareholder for purposes of determining the shareholding of a loss attributing qualifying company, it was not addressed in the new legislation. Rather, responsibility for amending this section lies with the Inland Revenue Department. I have therefore referred a copy of your letter to the Inland Revenue Department for its information.

Yours sincerely



Annie Fraser
Manager - Family, Commercial and Property Team

cc Inland Revenue Department