

23 October 2025

Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington
fe@parliament.govt.nz

Retail NZ submission: Taxation (Annual Rates for 2025-26, Compliance Simplification, and Remedial Measures) Bill

Overview

1. Retail NZ is grateful for the opportunity to submit a response to the Finance and Expenditure Committee's request for submissions relating to the Taxation (Annual Rates for 2025-26, Compliance Simplification, and Remedial Measures) Bill (the Bill).
2. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 227,000 Kiwis.
3. We have consulted with our members in preparation for this submission.
4. Our submission addresses a single aspect of the Bill in relation to taxable supply - section 19E(2)(a)(ii) of the Goods and Services Tax Act 1985.

Suggested amendment to the Bill

5. Retail NZ supports the intent of the proposed amendment to section 19E(2)(a)(ii) of the Goods and Services Tax Act 1985, which clarifies that suppliers are only required to collect recipient details if the recipient is a registered person. This change will reduce unnecessary administrative burden on retailers and their staff by ensuring that GST information is collected only where it is relevant for tax purposes. However, we do not think the change goes far enough for the reasons set out below.
6. Under the current legislation, Retail NZ members have experienced instances where customers have become upset when asked to provide their contact details where their purchase is over \$1,000. Front-line retail staff can find it difficult to explain the justification behind the legal requirement for the request. We support the intent to improve the current legislation, but we have concerns that similar issues will arise if customers who have purchased goods and services over \$1,000 have to be asked if they are 'a registered person' (i.e. registered for GST). It is

also unclear what constitutes sufficient or 'reasonable' steps for a retailer to take when a customer refuses to provide this information.

7. Our view is that any legislative change or supporting guidance should minimise potential conflict between staff and customers, while maintaining the integrity of GST record-keeping obligations.
8. Retail NZ would support a refinement to the proposed wording that places the responsibility for declaring GST registration status with the recipient (customer) and protects the supplier (retailer) from liability provided they have taken reasonable steps to confirm that status. For example, this could be achieved by wording such as:
“...collect recipient details for the recipient, if the recipient confirms that they are registered for GST purposes.”
9. This approach makes the recipient accountable for their own declaration, provides a clear and practical process for retailers, and avoids placing staff in difficult or adversarial situations with customers.
10. We also recommend that Inland Revenue provide clear operational guidance on:
 - a. what constitutes sufficient or 'reasonable' steps for a retailer to ascertain if a customer is registered for GST purposes (e.g. a point-of-sale system prompt, signage or invoice note); and
 - b. how such actions should be recorded to demonstrate compliance with section 19F's ongoing duty to retain taxable supply information.
11. Clear guidance of this kind would support consistent compliance, reduce tension in customer interactions, and give retailers confidence that they have met their obligations where a customer refuses to provide GST details.
12. Retail NZ is happy to discuss any aspect of this submission further.
13. No part of this submission should be withheld under the OIA.

Sincerely,



Carolyn Young
Chief Executive

carolyn.young@retail.kiwi