

Tax Treaty Non-discrimination Articles Feature in General Election Campaign

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The proposal of the main Parliamentary opposition party, the National Party, to impose a 15% tax on foreign purchasers of New Zealand homes costing NZD 2 million or more (see [Main Parliamentary Opposition Party Announces Election Tax Policies \(30 August 2023\)](#)) has been challenged by the government and some tax experts as a breach of the non-discrimination articles in some of New Zealand's tax treaties. The National Party rejects this contention.

When announcing the policy, the party stated that Australians and Singaporeans would be exempt from the tax because of New Zealand's free trade agreements with Australia and Singapore, but made no reference to tax treaties.

Any application of the non-discrimination articles in New Zealand's tax treaties is particularly relevant because around 20% of the party's proposed income tax cuts is expected to be funded by the new tax, the bulk of which is expected to come from Chinese buyers. The Chinese Embassy in New Zealand has stated that it is "studying the specific details and implications" and it "hope[s] the final legislation ... is consistent with the agreements signed between China and New Zealand".