



Community Housing
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Media Release

Community Housing Aotearoa welcomes tax solution

The community housing sector is pleased that the government is seeking a permanent solution to a tax issue that penalises member organisations when they help families buy homes.

The Government has introduced a bill to reverse a decision by the Charities Commission in 2009 which ruled that helping people to buy their own home through shared ownership is outside the domain of a charity and subject to tax.

Community Housing Aotearoa Director Scott Figenshow says while only one organisation to date had its charitable status revoked, the uncertainty for the sector means many community housing organisations have been potentially facing million dollar tax bills.

“A community housing organization should not face the loss of its tax exempt status simply because a family improves its situation,” he says.

“We are very pleased to see a permanent solution being promoted by Ministers to resolve this uncertainty that has been hanging over the sector for so long.”

He says the issue began when a significant local housing plan in Queenstown was slapped with a retrospective tax. It left some members of the community housing sector with potential tax liability of millions of dollars if the situation were repeated across the sector.

“It is good news that the government has owned up to the problem and is picking up the tax bill for the Queenstown project as part of the solution,” says Scott Figenshow.

He says Community Housing Aotearoa and its members recognize the need to provide a mix of tenure options and housing types across the housing continuum.

“For families to do better, they need the ability to have both rental and assisted ownership options which promote strong, stable communities.”

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