Inland Revenue
Te Tari Taake

www.ird.govt.nz

MAHURANGI TRAIL SOCIETY
INCORPORATED
GARY HEAVEN
591 SANDSPIT ROAD
RD 2
WARKWORTH 0982

IRD Number	130-986-323
Reference	L1280937504
Issued	03 February 2020

Dear Mr Heaven

Income tax exemption

Thank you for your letter dated21 January 2020.

I have checked the constitution and before non profit body deduction under section DV 8 of the Income Tax Act 2007 can be granted the following changes need to be made:

Personal benefit

As the organisation can employ, please add the following wording to clause 16:

"*No member of the organisation or any person associated with a member, shall participate in or materially influence any decision made by the organisation, in respect of the payment to or on behalf of that member or associated person of any income, benefit, or advantage whatsoever.*

Any such income shall be reasonable and relative to that which would be paid in an arms length transaction (being open market value)."

Alteration of rules

Clause 24 allows for the rules to be altered. There must be a clause stating that the objects, personal benefit clause and winding up clause cannot be altered. Please include the following paragraphs:

"No addition to or alteration of the aims, personal benefit clause or the winding up clause shall be made which affect the tax exempt status/non profit body status."

"The provisions and effect of this clause shall not be removed from this document and shall be included and implied into any document replacing this document."

You will need to follow the process outlined in your alteration to rules clause - often an annual or special general meeting (AGM or SGM) is required. Once the changes to the constitution have been adopted by the organisation and registered with the Companies Office, please let me know.

Non-profit body status can then be granted.

If you have any questions, please call me on jo.beijersbergen@ird.govt.nz.

Yours sincerely,

Jo Beijersbergen

Customer Service Officer