**[CLUB NAME] SUBMISSION – MUTUAL TRANSACTIONS OF ASSOCIATIONS (INCLUDING CLUBS AND SOCIETIES)**

To: Inland Revenue Department

Contact: [Club Representative Name]

[Email Address]

[Phone Number]

[Club Address]

Date: [Insert Date]

**INTRODUCTION**

[Club Name] is a member of Clubs New Zealand and a registered not-for-profit incorporated society. Like many clubs across the country, we exist to support our local community by providing a safe, welcoming space for social connection, recreation, and wellbeing.

We support the submission made by Clubs New Zealand Incorporated in response to ED0265: Mutual Transactions of Associations (including clubs and societies), and we wish to endorse the concerns and recommendations they have raised.

**OUR POSITION**

We believe that the proposed approach in ED0265 risks placing unreasonable and disproportionate tax and compliance burden on community clubs that are governed by volunteers and operate for the public good. In particular, we are concerned about the potential taxation of:

* Membership subscriptions, which are not payments for commercial services but contributions that allow clubs to exist.
* Unsolicited donations or bequests, which are often made in good faith to support the club’s community purpose.
* Community welfare funds, such as Poppy Income in the case of RSA clubs.
* Small-scale member services, such as bars, meals, raffles, and events, which are often run a break-even to support club viability.

We agree that the principle of mutuality remains important in practice, even if the law now narrows its application. Taxing members for collectively funding their own community facility undermines the purpose and sustainability of the not-for-profit club model.

**ABOUT OUR CLUB** (optional)

[Use this space to briefly describe your club, membership size, activities, and how you contribute to your community. You may also mention your income sources (e.g. subscriptions, bar sales raffles) and whether you rely on volunteers.]

**WHAT WE SUPPORT**

We support the following recommendations made by Clubs New Zealand:

* Subscriptions to not-for-profit community clubs should not be taxable where the club has a constitutional non-distribution clause and exists for community benefit.
* Donations, legacy gifts, and welfare-focused income (such as Poppy Funds) should be excluded from taxable income.
* A safe harbour threshold should be introduced for small clubs with limited income or surplus from member transactions.
* The Section DV 8 deduction should be increased from $1,000 to at least $10,000 and expanded to include typical club income such as modest hospitality or event fundraising.
* Inland Revenue should allow a two-year transition period to educate and support clubs in adapting to any new requirements.

**CONCLUSION**

Our club exists to serve the community, not to make a profit. We urge Inland Revenue to reconsider the operational and financial impacts that ED0265 will have on grassroots clubs like ours and adopt a more proportionate and practical approach.

We thank you for the opportunity to provide feedback and submit our support for the position taken by Clubs New Zealand.

[Name]

[Role at Club]

[Club Name]