

# BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses

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## REMINDERS

**15 January:** GST returns and payments are due for the period ending 30 November 2016.

**20 January:** Returns and payments are due for the FBT quarter ended 31 December 2016. *Employer deductions (EDF/IR345)* form and payment, and *Employer monthly schedule (EMS/IR348)* are due for the period ended 31 December 2016 for employers that deduct less than \$500,000 PAYE (including ESCT) per year.

**28 January:** GST returns and payments are due for the period ending 31 December 2016.

**Note:** If a due date falls on a weekend, public holiday or provincial anniversary day, we can receive your return and payment on the next working day without a penalty being applied.

If you have any suggestions for topics you'd like covered in this newsletter, email [BusinessTax.Update@ird.govt.nz](mailto:BusinessTax.Update@ird.govt.nz)

## Recent earthquakes

If you've been affected by the recent earthquakes, we know that tax won't be front of mind for you right now. Please don't worry if you can't meet a particular filing or payment date. We're able to take a realistic and flexible approach in these circumstances.

### Late returns or payments

If you have missed filing returns or making payments you can ask us to grant relief from penalties and use-of-money interest. This applies to all customers in the affected areas including Wellington.

If you have been affected by the earthquakes and are struggling to deal with your tax affairs, contact us sooner rather than later so we can help. The best way to do this is through your tax agent, or call us on 0800 473 566.

### Income Equalisation

We recognise the recent earthquakes may cause financial issues for farmers and fishers and is likely to materially affect their income for the 2017 income tax year.

Approval to use our income equalisation scheme discretions has been granted.

### Late Deposits

For farmers and fishers whose current or future income will be significantly affected by the earthquakes the Commissioner has relaxed the rules by allowing late deposits for the 2016 income tax year up to 30 April 2017.

This is regardless of when the 2016 return is filed or what the due date is for filing the tax return.

### Early Refunds

Farmers and fishers who are materially affected by the earthquakes will be able to make early withdrawals. In this case, materially affected means that net income has been, or will be, significantly decreased as a result of the earthquakes, and the withdrawal is needed to cover the income gap that results in a following year.

To find out if you qualify for an early withdrawal from an income equalisation deposit go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: income equalisation).

## Our services over the holiday break

It's almost the end of another year. From all of us at Inland Revenue we wish you, your staff and family a happy holiday break. *Business Tax Update* will be back in February.

If you're working over the holiday break, our 0800 numbers will be operating on the following days.

Day	Date	Time
Friday	23 December	8am to 5pm
Monday to Saturday	24 December to 3 January 2017	Closed

We'll be back to our normal hours (8am to 8pm weekdays and 9am to 1pm Saturdays) from Wednesday 4 January 2017.

The E-File system and helpdesk will be unavailable from midday Saturday 24 December, available again on Wednesday 4 January 2017.

ir-File and myIR Secure Online Services will be unavailable from Sunday 25 December, available again on Wednesday 28 December.

Our 0800 self-service numbers will be unavailable from Sunday 25 December, available again on Wednesday 28 December.

If you're going on holiday please file returns and make payments to us for any due date that might come and go while you're having a break.

## Government proposes improved PAYE reporting

Revenue Minister, Hon Michael Woodhouse, has announced the Government's proposals to improve the administration of PAYE. Shaped by feedback from businesses from the November 2015 consultation in the "Making Tax Simpler" series, the changes will use technology to further integrate PAYE processes into day-to-day business operations, improving the accuracy of employee deductions and reducing compliance effort for employers.

From 1 April 2019 it is proposed that employers will be required to file PAYE information on a payday basis, instead of on the current monthly schedule. This information will be able to be filed directly from payroll software. If an employer is not currently using payroll software, they will be able to file PAYE information through an improved myIR service on the Inland Revenue website, or, if they are below the electronic filing threshold, on paper. It is not proposed that the dates for when PAYE and related deductions have to be paid to Inland Revenue will change.

The announcement also outlined the Government's proposal to reduce the threshold for electronic filing of PAYE from \$100,000 a year of PAYE and ESCT to \$50,000 a year; minor changes to PAYE rules for holiday pay paid in advance and to when rate or threshold changes come into effect; and a proposal to end the payroll subsidy that subsidises employers outsourcing their PAYE obligations to a listed payroll intermediary.

The proposals are subject to the parliamentary process and are due to be considered by Parliament in 2017. For further details go to [www.taxpolicy.ird.govt.nz](http://www.taxpolicy.ird.govt.nz) (search keywords: better reporting).

## End-of-year taxes due 7 February

If you have an end-of-year income tax, student loan or Working for Families Tax Credit payment to make for the 2016 tax year, this is due on 7 February 2017 (unless you have a tax agent or accountant with a valid extension of time).

