

BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



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REMINDERS

Important dates

We have a range of **calendars** to help you plan ahead to help you meet your obligations. Remember that 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

Remember to file your tax return by 7 July – on time

The 7 July deadline for filing IR3 and IR4 tax returns is coming up fast. File now to avoid penalties.

Not sure if you need to file? **Check here**

File your IR3 tax return through myIR

The quickest and easiest way to file your IR3 is online using your myIR Secure Online Services account:

- You can file anytime, 24 hours a day, 7 days a week
- Most of your details will be automatically populated and calculated for you
- You'll receive immediate confirmation that your tax return has been received
- You won't need to worry about getting it to us on time through the post.

If you don't have a myIR account, **register today**. Here you can also check out our demo to see how easy it is to file online.

File your IR4 tax return online

The quickest and easiest way to file your IR4 is **online**. You won't need a login or password to file this way. Make sure you have your DLN number handy. This is the number printed on the DLN letter or income tax return we sent you. Haven't got it yet? Call us on 0800 377 774.

The bright-line property rule

Have you bought and sold a property over the last few years?

If the property was not used as your main home you may need to pay tax on the proceeds of that sale.

Find out more

Filed your tax return already?

Thanks for filing on time, we appreciate it.

Get set for AIM

If you want to use AIM (accounting income method) to manage your provisional tax you need to set it up in your accounting software soon. The deadline for 2-monthly GST filers is 28 June. AIM is a cash flow game changer - if you don't make a profit you won't have to pay provisional tax.

Find out more about AIM

Find out about provisional tax options

R&D loss tax credit claims for 2017/18 tax year

Are you a Kiwi company that conducts research or development and is making a tax loss? You may be eligible to 'cash out' (claim and be refunded) your R&D tax losses for the 2017/18 tax year.

If you've applied in the past – the application process has changed.

Find out more

Granting myIR access to another person

If you have My business in myIR, you may want other people to help manage your accounts (like fringe benefit tax). You can do this by granting access to your myIR information.

There are different ways to do this:

- Give a new person (logon) access to your myIR accounts
- Give a current person (logon) additional access to your myIR tax accounts
- Give a person access to your tax accounts (accessible through their own myIR login)
- Get the person to request access to your tax accounts (accessible through their own myIR login)

Find out more

View the 'How to' videos

What to do if you're amalgamating companies

Two or more companies may cease by amalgamating into another group company to continue as one company. If this applies to you and you pay staff, make sure your records are up to date and all "out of balance accounts" are fixed before the companies finally merge.

Action on amalgamating companies is different to that on a company being removed from the Companies register.

To keep our records up to date for all companies involved in an amalgamation, file the **IR432 Declaration of an amalgamation** within the required 63 working day period.

Are you making the most of your KiwiSaver?

How to qualify for the member tax credit

If you're between 18 and 65 and mainly reside in New Zealand you can qualify to receive the member tax credit. This is a government contribution of 50 cents for every dollar of member contribution you make in a year towards your KiwiSaver, up to a maximum payment of \$521.43. This means you must contribute \$1042.86 annually to qualify for the maximum payment.

If you contribute less than \$1042.86 from your pay, you can make voluntary contributions to ensure you receive the full member tax credit payment from the Government. Contributions made between 1 July 2017 and 30 June 2018 will count towards this year's member tax credit.

Your KiwiSaver provider will claim the tax credit on your behalf after 1 July each year. You don't have to do anything. Your member tax credit will appear in your KiwiSaver account within a month of your provider making the claim.

Find out more

KiwiSaver Health Checker tool

The Financial Markets Authority (FMA) has developed a **KiwiSaver Health Checker tool** to help you find out:

- if you are in the right fund
- if you could be saving more
- if you are paying the right amount of tax, and
- if you are paying too much in fees.

You can also search **www.youtube.com** with the keywords 'KiwiSaver fees' to view three short videos about checking the fees that you pay.

CRS, FATCA annual disclosures due 30 June

Reporting New Zealand financial institutions (NZFIs) must submit their annual CRS (Common Reporting Standard) and/or FATCA (Foreign Account Tax Compliance Act) disclosures to us no later than 30 June 2018 for the year ending 31 March 2018.

NZFIs must register with us first in myIR or they won't be able to submit a disclosure.

Remember that the CRS is based on country of tax residence, while FATCA is based on whether the person is a US person (this includes American citizens, regardless of the country of tax residence).

How to register and report using myIR

CRS

FATCA

If you are unclear about how this may impact you we welcome your questions at global.aeoi@ird.govt.nz

Employer corner

Handling voluntary repayments on student loans

Employees can make extra repayments through their salary or wages by using a Special Deduction Rate. If you have any employees interested in increasing their repayments to repay their loan faster, all they need to do is let you know to use a SLBOR code on a separate line of your *Employer Schedule (IR348)*.

Employees going overseas

Do you have any employees leaving soon to travel overseas? Remind them they need to organise their student loan before they go and that includes letting us know. Tell them to visit our **website** to find out more.

Employees taking a KiwiSaver contributions holiday

Do you know what you need to do as an employer when one of your employees takes a contributions holiday? It's a good idea to make sure you're aware of your obligations. Check out our website ird.govt.nz keywords: "contributions holiday" to learn about what to do.

Sign up for the latest news and tips from Employment New Zealand (part of MBIE)

Employment New Zealand news is a monthly e-newsletter covering popular questions, employer responsibilities and advice on how to comply, plus free tools, guides and resources.

Sign me up

Make sure you are filing your fringe benefit tax returns correctly

You have a choice of three fringe benefit tax returns:

- *Fringe benefit tax quarterly return (IR420)*: Employers must file FBT returns quarterly unless they meet certain criteria and elect to file yearly returns.
- *Fringe benefit tax income year tax return (IR421)*: For companies with shareholder-employees.
Note: From 1 July, you need a **myIR Secure Online Services** account to file your (IR421) online.
- *Fringe benefit tax annual return (IR422)*: For employers who elect to file returns for the full year ended 31 March.

Find out more (See Part 2 - Returning FBT)

Change your filing frequency (fringe benefit election) online