

BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses

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Keeping records for tax returns

It's important you keep accurate and complete records when you complete tax returns. Accurate records will help you complete your tax returns faster and avoid possible penalties for incorrect returns or underpaid taxes.



If you're claiming expenses against your income, it's important sufficient records are kept to support your claims, eg, receipts or bank statements as evidence, make sure each line item is coded correctly.

Your records can be kept electronically, but they must be backed-up. The back-ups need to be kept safe and secure, and be readily accessible.

You need to keep records for at least seven years from the end of the tax year, or the taxable period they relate to. If you give copies of your records to your tax agent or accountant for them to file on your behalf, both of you need to keep the records for this period.

Note: Your records must be in English, unless we give approval to use another language.

To find out more go to www.ird.govt.nz (search keywords: complete records).

File your IR3 income tax return online and on time

The due date for filing your *Individual tax return (IR3)* is 7 July, unless you have a valid extension of time or an approved late balance date.

Before you file your IR3

Check if you need to file an IR3 at www.ird.govt.nz (search keywords: end year IR3).

If you're not required to file an IR3, or your situation has changed since last year, call us on 0800 377 774.

File your IR3 online

Save yourself time and file your IR3 using myIR Secure Online Services.

- Most of your details are automatically populated and calculated for you.
- You'll get immediate confirmation once your IR3 is filed, so you know we've received it.

Login or sign up for myIR at www.ird.govt.nz/myir

If you can't file your IR3 by 7 July, call us on 0800 377 774 **before** the due date. We may be able to give you an extension of time.



Inland Revenue
Te Tari Taake

Welcome to Business Tax Update

In this issue: Keeping records for tax returns, file your IR3 income tax return online and on time, GST treatment of credit card fees/surcharges charged by some retailers, find out what tax could look like for you in the future, "Taking Care of Business" events, reading ACC levy invoices is about to get easier, phone scammers threatening legal action, residential land withholding tax (RLWT), problem gambling levy rate change.

If you have any suggestions for topics you'd like covered in this newsletter, email

BusinessTax.Update@ird.govt.nz



REMINDERS

7 July: 2016 income tax returns are due if you have a standard balance date and no extension of time.

20 July: Quarterly FBT returns and payments are due.

28 July: GST returns and payments are due for the period ending 30 June.

GST treatment of credit card fees/ surcharges charged by some retailers

Some retailers charge an additional fee or surcharge as reimbursement for the fee they're charged by the credit card company.

If you're GST registered and:

- charge a fee or surcharge to customers who pay by credit card, include it as income in your GST return
- are charged a fee or surcharge from paying by credit card, include it as an expense in your GST return.

Find out what tax could look like for you in the future

We want to make managing tax faster and easier for small businesses.

Our new "Changing for You" website shares our ideas for the future of tax in four areas:

- starting a business
- employing people
- filing and paying PAYE and GST
- calculating income tax.

Take a few minutes to find out more and have your say at www.changingforyou.ird.govt.nz

"Taking Care of Business" events

Business events are being held around New Zealand, giving owners and managers an opportunity to talk directly with the government agencies they deal with day-to-day.

"Taking Care of Business: Government Supporting Your Business" is a series of 16 events being held around the country from June to October.

The aim of "Taking Care of Business" is to make that interaction easier and more efficient so you can get on with the business of being in business.

At these events, experts from several different agencies, including Inland Revenue, will outline government support available for businesses, discuss new legislation and how to comply, and answer any questions business owners might have.

Register now for the event nearest you on Ministry of Business, Innovation and Employment's website www.mbie.govt.nz (search keywords: taking care of business).

Reading ACC levy invoices is about to get easier

From 1 July, businesses will start to receive their recently redesigned ACC invoice.

The key design changes include:

- an improved layout
- simplified design
- fewer pages
- the removal of unnecessary colours.

More information about the invoices, including examples, are available at

www.acc.co.nz/yourinvoice

ACC worked with customers, and ACC staff who deal with business customers every day, to include their feedback while redesigning their levy invoices. The result is an invoice that is clearer and easier to read, while keeping all the information businesses need.

Share your feedback about the new design with ACC at feedback@acc.co.nz

Phone scammers threatening legal action

Scammers claiming to be from Inland Revenue are calling people to say they are being investigated for tax fraud.

The scammer requests personal information including the person's IRD number, before threatening them with legal action. In some cases people are told they must pay a debt urgently or face jail.

Some people have also reported scammers leaving voicemails stating the recipient is subject to criminal action for tax fraud, leaving a phone number for the person to return the call.

If you receive a suspicious email, SMS scam message or a fraudulent call please email phishing@ird.govt.nz and include:

- the email received, or
- the number that the text message or phone number (CallerID) originated from
- any names and call-back numbers given by the text sender or phone caller
- details about the scam including:
 - the amount of tax refund quoted
 - the reference number
 - the information requested, and any other relevant information.

Residential land withholding tax (RLWT)

Starting 1 July 2016 RLWT may be deducted from some residential property sales/disposals.

RLWT will generally apply to New Zealand residential property:

- owned (or part owned) by an offshore RLWT person, and
- purchase/acquired on or after 1 October 2015, and
- sold/disposed of within two years of purchase.

If you purchased/acquired New Zealand residential property on or after 1 October 2015 and you sell/dispose of it within two years you need to declare if you're an offshore RLWT person.

You'll need to do this by completing a *Residential land withholding tax declaration (IR1101)* form. The IR1101 confirms if RLWT will be deducted from the sale.

If you're a lawyer or conveyancer, you may have obligations to withhold RLWT from the property sale/disposal.

To find out more about RLWT go to www.ird.govt.nz (search keywords: RLWT).



Problem gambling levy rate change

We're responsible for the collection of the levy from non-casino gaming machine operators and gambling operators. This levy assists in providing public health services in the community as part of an integrated problem gambling strategy.

The levy rates are set every three years. The new rates apply from 1 July 2016 and replace the rates that applied from 1 July 2013.

Note that all figures in this table are GST exclusive.

Gambling operator	Liable income	1 July 2010 to 30 June 2013	1 July 2013 to 30 June 2016	1 July 2016 onwards
Casino operators	Casino wins	0.72%	0.74%	0.87%
Non-Casino gaming machine operators	Gaming machine profits	1.48%	1.31%	1.30%
NZ Racing Board	Betting profits	0.51%	0.60%	0.52%
NZ Lotteries Commission	Turnover less prizes	0.34%	0.30%	0.40%