

Welcome to our first 2017 newsletter.

Inland Revenue Modernising the Tax System

Inland Revenue are making changes to the Tax Administration Act to update and modernise their systems and approaches. We are excited about this in the office and hope that the change over into their new system is not too disruptive.

So far the IRD are only releasing their first stage. The changes will be made over a number of years and some are currently being approved by parliament and so may change.

GST Changes you may notice

IRD are wanting more businesses to use their online services instead of filing using paper copies.

If you already file your GST online then the only change will be a new section in the myIR online login specifically for GST.

The format will be slightly different but you will be able to process as normal. There will be new features:

- being able to request a proposed instalment arrangement for the GST debt.
- Once your GST return is filed you can then pay the GST bill via credit card

IRD has released this on 7th February 2017.

IRD are still issuing paper GST Returns if required. These may be withdrawn at some point in the future.

If you would like to move into a computerised system such as Xero, Quickbooks or MYOB then please call Sally to discuss which software may suit you best.

Proposed Payroll Changes

One of the IRD proposals is for all employers PAYE returns from 1st April 2019 to be filed electronically to the IRD on each pay cycle basis. The only time efficient way to achieve this is to move all wage systems onto using an online payroll system. If you are considering changing your systems ahead of time, then it's worthwhile looking at an online system. They can not only make the transition into IRD's new compliance easier, but can also save you time. We use Smartpayroll and MYOB regularly in our office and we find both systems easy to use. If you would like to discuss this please contact Sally.

New Contractor Tax Rate

IRD are also proposing changing the ability for contractors to set their own tax rates for withholding tax. This is proposed to start 1st April 2018. We will let you know when this legislation is approved.

Bright Line Rules

Inland Revenue have introduced a new requirement to have withholding tax withheld from a sale/disposal of land where:

- The Vendor is an offshore person (new specific definition applies).
- The land is 'residential'
- Property is located in New Zealand
- The land was acquired on or after 1st October 2015 and sold within 2 years
- The land is not your 'main home'

If the above applied to you please let us know and we can advise you further.

Cash Sales

Please ensure you keep good records of all sales received in cash and make sure we receive this information when we prepare your end of year accounts or GST Returns.

Upcoming Tax Dates

- 2016 Terminal Tax to be paid by 7th April 2017 (if you do not have an extension of time it is 7th February 2017)
- Final 2017 Provisional Tax to be paid by 7th May 2017

New Minimum Employee Hourly Rate

From 1/4/17 the minimum wage rate will increase to \$15.75. Please ensure you confirm whether any of your employees will be effected and increase accordingly.

Health & Safety

Just a reminder to ensure you have some Health & Safety procedures and policies in place. Health & Safety should be treated as part of your day to day business and should be managed proportionately to the level of risk at your business.

Payroll Service

Just a reminder that we do offer the service of processing your payroll for you either weekly, fortnightly or monthly.

Employee Share Scheme

From 1/4/17 employers can opt to tax your Employee Share Scheme income as part of your Wages & Salary. There will be no need to pay extra tax at the end of the year if your income has been correctly taxed. This will only apply for the 2018 tax year onwards and your employer can still opt to not tax this extra income. Please let us know if you have received any Employee Share Scheme untaxed income received in the 2016 & 2017 plus confirm the arrangement for the 2018 year onwards. Thank you.

Mileage Rate Change

IRD have updated their mileage rate from 74 cents per kilometre to 72 cents.

E-Abode Sign Tax Returns

We now have the ability to send you an electronic version of your tax return to sign using 'e-Abode'.

A link can be emailed to you through our system. Once you have signed this it will download back to our system, send us a confirmation and direct to Inland Revenue. You will however need to sign paper or pdf copies of any sets of financial statements or minutes. If you would like to receive an 'e-Abode' link to sign your tax returns in the future then please let us know.

Food & Drink Gifts including Gift Baskets

All gift baskets are now viewed by IRD as 50% tax deductible, even if the cost is for a customer. The majority of food and drink including entertainment is also 50% tax deductible. Please call us if you need further information.

Always Happy To Help

Remember to speak to us if you have any of the following:

- Overseas bank accounts or investments
- Received historical untaxed foreign superannuation
- Thinking of selling rental properties
- Would like to discuss the benefits of starting a new company or a Family Trust
- Thinking of providing an employee with a meal or travel allowance
- Want to discuss the options of buying a company vehicle and how personal use is taxed.
- Or just simply want to talk about your business

Do you have a BNZ KiwiSaver Scheme?

If so IRD now allows the redemption of Fly Buys for a contribution to your KiwiSaver Scheme.

Future Tax Payslips

We now have the ability to email you your tax payslips instead of receiving them through the post. Unless you do not have an email address we will email your tax payslips in the future. If however you would still like to receive a paper copy then please let us know.

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