

# SOFTWARE DEVELOPERS NEWS

Inland Revenue's update for software developers

December 2011

## Software Developers Liaison Unit (SDLU)



Inland Revenue  
Te Tari Taake

### Christmas/New Year close-down

SDLU will not be available for business queries from 2 pm Friday 23 December 2011 and will reopen for business on Wednesday 4 January 2012. Both Mark Tapara and Karen Hooper will be available for urgent matters via phone or email.

Our secure online services, ir-File and our 0800 self-service numbers will be unavailable from Saturday 24 December until 6 am on Wednesday 28 December.

### SDLU visits Australian counterpart

In mid-October SDLU Team Manager Karen Hooper travelled to Melbourne at the invitation of the Software Industry Liaison Unit (SILU), the Australian equivalent of SDLU. SILU operates within the Australian Tax Office. As with last year's visit, it was valuable and very worthwhile being able to talk with our Australian counterparts, keep each other informed and further strengthen the relationship.

The main purpose of the visit was to give an update to SILU's Software Developers Consultative Group Meeting on what's happening here. The key points covered were:

- student loan and 2011 Budget changes that come into effect on 1 April 2012
- the next phase of the B2B services and how we're currently gathering the business requirements for a personal tax summary web service
- Inland Revenue's future plans for:
  - working closely with the lead agency, the Ministry of Economic Development, in developing a business case for a Single Business Number
  - integrating the igovt logon service into our processes and systems (igovt has two separate services: the igovt logon service and the igovt identity verification service)
  - our programme of transformational change, *IR for the future*, and how this may lead to developing working relationships with other organisations, including strategic partnerships, to deliver some of our services.

### WHAT'S INSIDE?

#### In this issue:

Christmas/New Year close-down, SDLU visits Australian counterpart, potential B2B service for personal tax summaries, frequently asked questions.

### YOUR THOUGHTS

SDLU values the feedback received as we work to tailor this newsletter to your needs as well as our own. We always welcome your suggestions, so please contact us at [sdlu@ird.govt.nz](mailto:sdlu@ird.govt.nz)

Karen Hooper  
Software Developers Liaison Unit  
Inland Revenue

### CURRENT INLAND REVENUE CONTACTS

#### Technical issues

[payroll.developers@ird.govt.nz](mailto:payroll.developers@ird.govt.nz)

#### Technical issues escalation

[sue.potts@ird.govt.nz](mailto:sue.potts@ird.govt.nz)

#### Strategic and escalation issues

[sdlu@ird.govt.nz](mailto:sdlu@ird.govt.nz)

#### Consultation

[sdlu@ird.govt.nz](mailto:sdlu@ird.govt.nz)



### Season's greetings

We'd like to wish you and your families a happy and safe holiday season.

Have a wonderful break and if you're travelling, travel safely. We look forward to catching up again in the New Year.

## Potential B2B service for personal tax summaries

On 5 October 2011 a workshop was held with representatives from the tax agent software development community and personal tax summary (PTS) intermediaries. The purpose of this workshop was for Inland Revenue to understand the needs of this group in relation to a potential PTS B2B service.

The next step was to document, analyse and seek agreement on the requirements. This enabled us to consider the "what" and "how". The "what" included understanding the work effort and achievable time frames and the "how" considered possible organisational and technological constraints to delivery, such as the student loan B2B platform being implemented next April.

The service components initially proposed to the working group were the ability to:

- link and de-link clients
- maintain customer bank account and contact information
- access customer information that's relevant to the PTS calculation
- request, amend and confirm a PTS (in real time).

We'll keep you informed around the "how", "what" and "when" as soon as this information becomes available.

## Help desk

### Frequently asked questions

#### The reporting of earnings not liable for ACC earners' levy

**Q:** What gets reported in the "Earnings and/or schedular payments not liable for ACC earners' levy" column:

1. all payments to employees with a WT tax code?
2. extra payments for retirement and redundancy?

Our understanding is that it should not report normal payments nor any extra payments that are greater (when annualised) than the earners' levy threshold of \$111,669.00.

**A:** You're correct, the items above should be reported in the "Earnings and/or schedular payments not liable for ACC earners' levy" column.

The non-liable field on the EMS is for any payments that don't attract any earners' levy (eg, WT, retirement, redundancy) and therefore the threshold does not apply. If someone's salary is above the threshold their earners' levy deduction will be capped at the maximum deduction amount.

#### Special tax codes (STC) and bonuses

**Q:** If someone has an STC rate applied to their pay, and they receive a bonus, which tax rate applies:

- the rate calculated for a bonus (eg, 19.54%), or
- the rate given in the STC certificate?

**A:** The extra pay should be taxed at the STC rate given in the certificate.

The employer should apply the rate given on the STC certificate to every pay period amount (regardless of the types of payment within the period) for the duration of the STC certificate. If it's replaced by a new STC certificate, the new rate will apply.