



Agents' checklist

To prevent any delays in processing and approving your applications for registrations please send us all the information we require for IRD number applications or registrations.

Follow these checklists to make sure you've included all the necessary information we've requested.

IRD number applications

Please note a number cannot be issued for a future date.

Companies

1. IR 596 signed and dated by agent
2. Street address
3. Organisation's start date (this is normally the date of registration but please advise us if you require a different date)
4. Main business activity and ACC code, if known
5. All directors/shareholders names and IRD numbers
6. Contact person and phone numbers
7. Certificate of incorporation
8. Client linking form or written authority given.

Trusts/charitable trusts

1. IR 596 signed and dated by agent
2. Street address
3. Organisation's start date
4. Main business activity and ACC code, if known
5. Trustees' full names and IRD numbers added
6. Copy of the pages from the deed containing the start date of trust, name of trust and signatures of the trustees (don't send complete deed)
7. Certificate of incorporation for charitable trusts
8. Client linking form or written authority given.

Estates

1. IR 596 signed and dated by agent
2. Street address
3. Death certificate, probate or date of death supplied
4. Start date of estate – this is day after date of death
5. Deceased person's full name and IRD number
6. Client linking form or confirmation of written authority.

Partnerships

1. IR 596 signed and dated by agent
2. Street address
3. Organisation's start date
4. Main business activity and ACC code, if known
5. Partner's full names and IRD numbers
6. Contact person and phone numbers
7. Client linking form or written authority.

GST registrations

1. Include start date, business activity and ACC code, if known
2. Complete Questions 9 to 11 or we will use default details.

PAYE registrations

1. Start date
2. Correct FBT details.

Clean up your agent list

Are all your clients linked? To avoid your clients getting late filing penalties and having to contact us please ensure they are all correctly linked to your agency.

Filing a final return for a client? Please let us know so we can finalise their account. This includes any companies which may have amalgamated or been struck off and anyone who has emigrated or died. Remember to delink the client from your agency.



Treaty of Waitangi settlements

The "Questions we've been asked" item on "Payments made in addition to financial redress under Treaty of Waitangi settlements – income tax treatment" has been finalised and issued by the Office of the Chief Tax Counsel as QB 09/01.

This item addresses the income tax treatment of payments (referred to in the item as "settlement interest") made by the Crown in addition to the agreed financial redress under settlement, that relate to the period from settlement agreement being reached through until the financial redress is paid. The OCTC concluded that the settlement interest payments are a capital receipt and not taxable, and in particular, they are not interest within the statutory definition, not income under a full financial arrangement and not income under ordinary concepts.

The full item has been published in the April 2009 *Tax Information Bulletin*.

Reminders

GST – late filing penalties now apply, even to nil returns, so you or your client must advise us immediately if they no longer need to be registered for GST. You can do this online, by phone or by writing to us.

Provisional tax due dates – please ensure your clients know the new due dates for provisional tax.

Redundancy tax credits – employees who have been made redundant since 1 December 2006 may be able to claim a tax credit of 6% up to a maximum of \$3,600 for each redundancy. To claim this they need to complete a *Redundancy tax credit claim (IR 524)* form.

IRD numbers for new companies – these can be applied for through the Companies Office when the company is being registered. This provides a fast turnaround time for your clients and they can then advise you of their number.

IRD numbers for individuals – these can now be applied for through postshops or Automobile Association centres. More information on this can be found on our website – Keywords are "IRD number applications".

Changes to tax credits (formerly rebates)

The threshold on tax credits (formerly rebates) has been removed to encourage people who want to donate to charities, but previously found it limiting.

For donations made in the tax year ending on 31 March 2009 and future years, your client can claim the lesser of: 33.3333% (one-third) of the total donations made, or 33.3333% of their taxable income. For full details go to www.ird.govt.nz/forms-guides/number/forms-500-599/ir525-guide-rebate-claim.html

Note: Charities that may have been approved last year may not qualify as charities this year. Check receipts against the list on the Charities Commission website to make sure the organisation your clients have donated to qualifies. Go to www.register.charities.govt.nz/CharitiesRegister/Search.aspx

If you have any charitable organisations as clients, please make sure they meet the criteria to issue receipts.

INFOexpress handy card

We've replaced our *Tax Agents' guide to using INFOexpress (IR 355)* leaflet with the *INFOexpress calling aid (IR 358)*. This is a single page guide for tax agents who want to use Inland Revenue's INFOexpress service.

Follow the step-by-step instructions to get:

- account balances
- return and account information
- brochures, forms, guides, client printouts, new PINs
- a personal tax summary or summary of earnings.

You can also:

- link and delink clients
- use faxback.

You can view the INFOexpress handy card at www.ird.govt.nz or order a copy by calling 0800 257 773.



The Job Support Scheme (also known as the nine-day fortnight)

This is a government initiative, administered by Work and Income, to help employers retain employees who could otherwise be facing redundancy. Every employer with more than 100 staff in New Zealand is eligible to apply.

Work and Income will be operating an 0800 number as well as working with employers to help with the application process. Inland Revenue has been working with Work and Income to communicate these changes to employers. An article in the May 2009 *Payroll News*, sent to employers, provides employers with links for further information. Work and Income has also produced information packs for employers that include their tax obligations.

To find out more about the scheme you can go to Work and Income's website www.workandincome.govt.nz

For information on tax obligations for employers and employees go to our website www.ird.govt.nz

Company no longer trading

There are a number of outstanding income tax returns for companies that are no longer trading.

If a company has ceased trading, but has not been struck off the Companies Register, it must continue to file income returns each year. By completing a *Non-active company declaration (IR 433)* the company can have its non-active status approved until it is struck off. The company will no longer have to file income tax returns unless it starts trading again.

Please note that the company will need to have ceased all other taxes, eg, GST, PAYE, before becoming non-active.

Renewals of certificates of exemption (COE) from PAYE on schedular payments

A number of people are using the online application for the COE to also apply for a special tax code or an exemption from RWT.

However, the details required for the COE are not relevant to a special tax code or exemption from RWT, which means the application could be delayed or declined.

Please make sure you and your clients use the correct forms to apply for a special tax code or an exemption from RWT.

Recognised seasonal employer (RSE) scheme update

From 1 April 2009, please use the tax code "NSW" for any RSE workers your clients employ. It's a tax code specifically for workers on the RSE scheme. Don't use the CAE tax code. This is for New Zealand residents working as casual agricultural employees.

So, please make sure that any new or returning RSE workers who complete a *Tax code declaration (IR 330)* choose the "NSW" tax code.

Show the NSW code on your employer monthly schedules to ensure RSE workers are taxed at the flat rate of 16.7 cents in the dollar for the 2009–10 income year (15 cents PAYE and 1.7 cents ACC earner's levy).

Check that your payroll software has the correct PAYE tax rate of 16.7%. If it isn't, contact your payroll software provider for help. Don't forget to calculate the correct PAYE. You can use the PAYE calculator at www.ird.govt.nz under "Work it out".

If you have any questions please call us on the tax agents' line 0800 377 779

Note from the editor

If your mailing details are incorrect, we have missed someone off the distribution list or you have suggestions for future topics, please email agents.answers@ird.govt.nz or contact:

The Editor
AGENTSanswers
Inland Revenue
PO Box 2198
Wellington 6140