



Companies Office and Inland Revenue go real time

On 2 July 2007 Inland Revenue and the Companies Office released a pilot site for online GST registrations and company IRD number applications to be completed at the same time as company incorporation. These services, hosted on the Companies Office website operated in "pilot" mode for two weeks and were trialled by a group of tax agents. This gave them the opportunity to provide feedback on the new system.

The system was subsequently made available to everyone on 16 July 2007.

What does this mean?

This is now the fastest way for you to start your clients up in business—enabling you to register them for GST, apply for a company IRD number and incorporate their company, all at the same time.

When the Companies Office has received the final company consent forms, information specific to Inland Revenue will be released and the IRD/GST number will be returned to you within minutes.

Note: This is the fastest way to set up a company

Will the 24-hour fax service remain available?

Yes, for the next few months. Then we'll review the service in September 2007 and let you know the outcome.

How does the Companies Office website operate?

www.companies.govt.nz

After providing initial "presenter" information, you'll be able to proceed with linking your client's tax details.

TAX AGENT OPTION SCREEN

INLAND REVENUE REGISTRATION

CONTINUE | TAX OPTIONS | EXIT

To proceed with your company IRD number application and GST registration, update the sections below. Once all details have been completed select CONTINUE. If you wish to change your registration options at any time, select TAX OPTIONS.

If you require further information about your Tax requirements when setting up a business in New Zealand, please refer to the onscreen help available or alternatively visit www.ird.govt.nz

Company Number	1964713	
Company Name	KARENS TEST COMPANY NUMBER 1 LIMITED	

*	1. Tax Number / GST <small>(Information entered is sufficient for Inland Revenue Registration)</small>	UPDATE
*	2. Contacts for Inland Revenue <small>(Information entered is sufficient for Inland Revenue Registration)</small>	UPDATE
*	3. Tax Agent / Linking <small>(Registration information is required, select UPDATE)</small>	UPDATE

Tax agents now also have options about which tax types can be linked to the client, including INC, GST and FBT.

TAX AGENT LINKING SCREEN

ENTER IRD AGENT DETAILS

CONTINUE | CANCEL CHANGES | REMOVE

To link this company to your agency:

1. Complete all mandatory fields below denoted by a red asterisk *
2. Select CONTINUE to save your details

Note: Any details saved within this screen will be transferred automatically to Inland Revenue at the time of incorporation. If you require further assistance visit www.ird.govt.nz or contact Inland Revenue on 0800 377 774

Company Number	1004151	
Company Name	SUCCESSFUL INC GST COMPANY LIMITED	
Tax Agent Name	* Corporate Agent Limited	
Tax Agent IRD Number	* 100001456	
Send mail to	<input checked="" type="radio"/> Tax Agent	<input type="radio"/> Client
E File	<input checked="" type="radio"/> Yes	<input type="radio"/> No
Link Income Tax	<input checked="" type="radio"/> Yes	<input type="radio"/> No
Link GST	<input checked="" type="radio"/> Yes	<input type="radio"/> No
Link FBT	<input checked="" type="radio"/> Yes	<input type="radio"/> No

What are the key company registration messages?

- Annual income balance dates will be automatically aligned to 31 March. If your client requires a different annual income balance date, you must apply in writing to Inland Revenue.
- The company start date will be the same as the date of incorporation.

What are the key GST messages?

- GST registrations:
 - cannot be completed as a separate request—this option is only available when your client is also applying for a company IRD number
 - cannot be backdated
 - can be future-dated up to two months
 - which have a future date, cannot be linked to a tax agent
- Business Industry Codes (BIC) are mandatory

Will I still receive a paper copy of the IRD/GST number confirmation?

You will receive confirmation of IRD/GST numbers by email. We'll continue to send your GST return packs and tax agent linking letters by post.

Who can I contact if I have any questions?

Contact your agent account manager.





Availability of L letters

The L letter helps you encourage your clients to provide their records so you can prepare and file their income tax returns by 31 March each year.

The L letter is available for clients who have an extension of time (EOT), and are late providing you with all the necessary information to complete their returns.

An L letter is issued in Inland Revenue's name and reminds clients they have not provided their tax agent with enough information to file a return. By issuing an L letter, we remove the client from your performance statistics until the return is filed.

From 3 August 2007 you can request an L letter through INFOexpress.

First return filing target

The first EOT filing target for clients' returns is fast approaching. The percentages due to be filed by 14 September 2007 are:

Standard target	40%
E-File target	37.5%
Late balance date target	20%

If you're going to have difficulty meeting this first target we encourage you to contact your account manager before the target date.

Keep your business moving

A new series of *Business is Booming* will return to TV One at the end of July.

Targeted at small business owners, it provides tips and inspiration from experienced business owners. The magazine-style programme should help your clients start and grow their business and we hope it will help grow yours too.

Business is Booming is produced by the independent television company, Wonderful. It's supported by six funding partners, including the New Zealand Institute of Chartered Accountants (NZICA) and Inland Revenue.

NZICA has also provided \$300,000 worth of free chartered accountancy to some lucky viewers.

The series will screen on TV One from 28 July to 10 November on Saturdays at 8 am. The last four episodes will be repeats of earlier programmes that clashed with the Rugby World Cup.

You'll also be able to catch up with the last series, or episodes you miss, through "TV ondemand". Check out the website, tvnzondemand.co.nz

GST and provisional tax alignment – ratio option

From August, we'll send you and your clients information about the new way to calculate provisional tax—the ratio option.

This consists of a reminder to your clients that they'll soon need to pay their provisional tax with their GST (from the beginning of the 2008-09 tax year onwards) and a brochure (IR 851) about the ratio option.

This brochure includes information about:

- how the ratio option may help small to medium-sized businesses to pay their provisional tax—especially if they have fluctuating/seasonal income during the year
- the requirements your clients will need to meet
- how to apply if they choose to use the ratio option
- how to work out their provisional tax payments and the number of times they'll need to pay provisional tax each year.

Only your clients who have residual income tax for a recent tax year of greater than \$2,500 and up to \$150,000 will receive the letter and brochure from us. This is one of the requirements they'll need to meet to use the ratio option.

We'll send the letters and brochures to you and/or your clients over the next year. Your clients who have a 31 October 2007 balance date will receive them first.

We'll send this information to the addresses we currently hold for GST and income tax purposes. If you usually receive mail for these tax types for your clients, we'll send the letters and brochures to you. If you have a large number of clients, please note that you may also receive a large number of brochures. You can view a copy of the IR 851 under "Forms and guides" at www.ird.govt.nz

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 contact:

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AGENTSanswers is also at:

www.ird.govt.nz/taxagents/newsletters/agents-answers