

Family Assistance

In December 2001 we began our Family Assistance public awareness campaign. It may be useful for you to have some background information about our communications strategy and key messages.

Our strategy this year is to:

- continue to create awareness of the Family Assistance scheme
- stimulate applications for Family Assistance from working families, both employed and self-employed, and to
- continue to build relationships with key stakeholders.

Our key messages and themes are:

- Many low and middle-income working families are eligible for financial assistance from Inland Revenue.
- Family Assistance comes in a number of forms.
- We want to work with you to ensure low and middle-income working families are getting the financial assistance they are entitled to.
- There is also the Parental Tax Credit—an allowance families can receive when their baby is first born. Depending on income, this could be as much as \$1,200.
- There is ongoing assistance, until the child is 18 years of age, as long as they're at school and living with the Family Assistance recipient.
- It is important for Family Assistance recipients to inform us of any change in their family circumstances.
- Your support is vital if we are to help low and middle-income working families benefit from Inland Revenue's Family Assistance package.

Over the next few months we will provide information about Family Assistance in *AGENTSanswers*. Keep an eye out for this information and consider whether any of your clients, not already registered with us, meet the criteria.

In the meantime, if you want more information about Family Assistance please refer to the *Family Assistance guide (IR 200)*, which is available on our website and the tax agents' CD Rom, or by contacting your agent account manager. Alternatively, phone us on your tax agents' toll-free number.

January delivery of IR 901Cs

Do you receive four IR 901Cs per client in January? If you do, then please note that you will receive only two forms in January 2002.

From 1 April 2002, ACC will issue self-employed with a single invoice for both the accident compensation cover premium and residual claims levy. Therefore, we are updating all our payment forms to remove reference to ACC.

The remaining two forms will be issued to you in May 2002.

Farming income

Significant increases in gross farming income is being realised as a result of rising prices for farm produce and improved performance levels by New Zealand farmers. Therefore, now is a good time to consider the following for your farming clients.

- Livestock valuations – Current high market values for livestock farmed in New Zealand mean you may like to check the appropriateness of the choice of livestock valuation.
- GST registration – Significantly higher incomes may cause turnover to go over the \$250,000 threshold for clients on a six-month taxable period for GST. If this happens, we must be advised in writing within 21 days so that their taxable periods can be changed.
- Provisional tax – Clients who have not been provisional taxpayers previously may be required to make provisional tax payments. If our provisional tax due dates differ from your records, please check the client's balance date. A request for a non-standard balance date must be made in writing and cannot have a retrospective effect.

For more information on balance date changes refer to *Tax Information Bulletins (TIB)* Vol 5, No 11, Appendix B and Vol 7, No 13, which are available on our website at www.ird.govt.nz/tib/index.htm

- Exposure to use-of-money interest.
- Income equalisation scheme deposits – If you are considering making a deposit for your clients, information on the income equalisation scheme can be found in issues 27 and 28 of *AGENTSanswers*.

7 February payment date for clients without an EOT

A reminder that the 7 February due date is close at hand. You may wish to contact clients with payments due by this date.

If you would like to discuss a client's payment options, please phone us on your tax agents' toll-free number. More information on debt payment options is available in our booklet *Debt options (IR 582)*. You can view this on our website at www.ird.govt.nz/library/publications/generalinformation.html or you can order a copy by phoning INFOexpress on 0800 257 773.

Further reminder to use the L letter

The purpose of the L letter is to assist you with getting information from your clients so you can file their tax returns by the extension of time date.

Outstanding returns for clients who have been sent an L letter are excluded for the purposes of filing statistics and performance letters.

For details on how to issue an L letter see issue 28 of *AGENTSanswers*.



Non-standard balance date applications

Inland Revenue is receiving applications for non-standard balance dates that do not meet the guidelines of the policy contained in *Tax Information Bulletin (TIB)* Vol 5, No 11, Appendix B. Where an application for a non-standard balance date is for other than a commonly recognised industry date, full details must be provided to support the application including:

1. Full name of the entity seeking the balance date
2. Name of the tax agent
3. Full details of the reasons why a non-standard balance date should be approved
4. If the request is because a 31 March balance date is inappropriate for the taxpayer's particular business, the following information is also required:
 - If the business is already in operation:
 - details of cash flows
 - details of stock patterns
 - details of customer demand
 - details of seasonal patterns
 - other evidence showing that financial information prepared to the proposed balance date will be more appropriate to the entity than information prepared to 31 March.
 - If the business is a new business we will need predictions of the above factors.
5. Whether the entity is associated with any other entities, and if so, the nature of the relationship and the balance dates of the other entities
6. Any other reasons for requesting the balance date other than those already stated.

Completion of GST returns

When filing GST returns please ensure that all relevant fields on the preprinted GST 101 form are completed. There have been instances where tax agents have attached a copy of a computer-generated worksheet instead of completing the preprinted GST return. This can result in a nil assessment being issued to your client if the worksheet becomes separated from the GST 101.

Linking clients

When you register a client for Family Assistance (FS 1), GST (IR 360) or as an employer (IR 334), your client is not automatically linked to you for that revenue.

If you want your client linked for these revenues, you can link them using INFOexpress by phoning 0800 456 678, or by completing a *Client linking or delinking (IR 795)* form.

Delinking ceased tax types

Ceasing a tax type for a client does not automatically delink the client from your agency list for that tax type.

After a client's tax type has been ceased, if you no longer require access to information contained in past returns for that tax type, you need to delink the client using one of the following methods:

- INFOexpress, or
- contact us on your tax agents' toll-free number, or
- complete a *Client linking or delinking (IR 795)* form.

If you are using the *Ceasing a client's registration (IR 794)* form to request a tax type to be ceased, you can also use this form to ask for the tax type to be delinked from your agency list.

If a client stays linked for a ceased tax type, that client will remain on your agency list.

Taxation (Annual Rates, Taxpayer Assessment and Miscellaneous Provisions) Act

The above Act was enacted on 24 October and included changes relating to:

- Research and Development expenditure
- Interest deductibility for companies
- Unit trusts
- Transfers of overpaid tax
- Taxpayer self-assessment
- GST on certain services contracted for outside New Zealand.

A detailed analysis of this legislation can be found in *Tax Information Bulletin (TIB)* Vol 13, No 11, which is available on our website at www.ird.govt.nz/tib/index.htm

Note from the editor

If our 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 on our website:
www.ird.govt.nz/business/tax_agents/index.htm