

# FBT news

IRD number  
1  
Quarter ended  
2  
This return and any payment are due

## Welcome to FBT news

In this issue: We look at new FBT rates; electronic filing, payments and refunds; completing the fourth quarter return; FBT and large employers; cessation and the final return.

## Final issue of FBT news

Dear readers: This is the last issue of FBTnews. If we have any FBT changes we need to tell you about we'll include them in our *Payroll News* newsletter. To subscribe to this, please go to [www.ird.govt.nz](http://www.ird.govt.nz) and click on *Payroll News*.

If you have an FBT topic you'd like to see covered please email us at [payroll.news@ird.govt.nz](mailto:payroll.news@ird.govt.nz) and we'll aim to cover it in a future edition.

## FBT prescribed rate on low-interest loans

The rate for calculating FBT on low-interest, employment-related loans for the quarter 1 January to 31 March 2009 is 10.90%.

The rate updated on our website (10.57%) for the quarter ended December 2008 was incorrect. This was quickly spotted and the correct rate of 10.90% has now been updated on our website. We apologise for any inconvenience.

## FBT rates are changing from 1 April

From 1 April 2009 personal income tax rates will change and this has flow-on effects on the FBT rates.

Currently, you have the option of applying the multi-rate tax rate or using a flat rate of 64%.

From 1 April 2009 the flat rate changes from 64% to 61%, and from 1 April 2010 the flat rate changes from 61% to 59%.

If you're using the multi-rate option there's no change to the 49% tax rate for quarters 1 to 3.

The following multi-rate fringe benefit rates will apply from 1 April 2009:

Income range	Tax rate
\$0 – \$12,250	0.1429
\$12,251 – \$39,110	0.2658
\$39,111 – \$53,850	0.4925
\$53,851 and above	0.6129

## Help us use less paper

One of the business practices we're targeting for improvement is printing. A key focus is reducing the amount of paper and consumables (eg, commercial printing ink) we use by introducing more online services, and encouraging our customers and suppliers to do business with us electronically.

You can help by filing your returns, making your payment or receiving your refund electronically.

You can file your return online at [www.ird.govt.nz](http://www.ird.govt.nz)

Is this return for Quarter 4 (1 January to 31 March)?  
No  Complete sections A, B and D below. Yes  Complete sections A, C and D below.  
If you have ceased employing during the quarter please refer to the FBT guide (IR 409).

**A Taxable benefits provided for this quarter**  
Copy the total taxable values from your Taxable value calculation sheet (IR 427) to Box 3. If there is no taxable value leave this box blank and still file this return. **3** \$

**B Complete this section for Quarters 1, 2 and 3 – do not complete this section for Quarter 4.**  
• Tick the fringe benefit tax rate you are using in **Box 4**  
• Multiply **Box 3** by either 0.64 (64%) or 0.49 (49%)  
• Print your answer in **Box 6** **4** 64% 49%

**C Complete this section for Quarter 4 only – see the FBT return guide (IR 425) for help.**  
• Tick the fringe benefit tax rate option you are using in **Box 5** (the 49% rate can't be used in this quarter)  
• Either multiply **Box 3** by 0.64 (64%) and print your answer in **Box 6**  
• Or transfer the amount from **Box C** of your Multi-rate calculation sheet (IR 417) or, from your remuneration adjustment worksheet, to **Box 6** **5** 64% multi-rate

**D Fringe benefit tax to pay or refund**  
**GST payable on fringe benefits**  
Value from **Box 3** (less any fringe benefits that are exempt or zero-rated for GST) divided by nine. See page 49 in the FBT guide (IR 409).  
**Tax to pay or refund**  
If **Box 7** is nil, copy the amount in **Box 6** to **Box 8**. If **Box 6** is FBT to pay, add **Box 7**. Show your tax to pay in **Box 8**. If **Box 6** is an FBT refund, subtract **Box 7**.  
• If **Box 7** is greater than **Box 6**, show your tax to pay in **Box 8**.  
• If **Box 7** is less than **Box 6**, show your refund in **Box 8**. **6** \$ **7** \$ **8** \$  
(Tick one) **FBT to pay** **FBT refund** **Tax to pay** **Refund**

## Internet filing

You can file your FBT return online at [www.ird.govt.nz/forms-guides/keyword/employers/fbt/forms-guides-subject-employers-fbt](http://www.ird.govt.nz/forms-guides/keyword/employers/fbt/forms-guides-subject-employers-fbt) and access our FBT guide. Have these details in front of you when you submit your FBT return:

1. Your return or letter confirming your IRD and DLN numbers
2. Your FBT records.

## Electronic payments

Electronic payments, eg, automatic payment, direct credit and online banking are a common way of paying us. Most banks offer an online tax payment service on their website which ensures the correct payment reference details are included with your payment.

The correct format of the payment information for an electronic payment to us:

Payee name: JOHN WANE LIMITED Amount:

Bank:  Branch:  Customer number:  Suffix:

Particulars: 999 888 656 Payee code: FBT 30092009 Reference:

IRD number:  Tax type:  Period end date:

## Particulars

**999888656 (IRD number).** Starting from the left, with no dashes, spaces etc. The remaining boxes are left empty.

## Payee code

**FBT 30092009.** The first three boxes have the code for the correct tax type (go to [www.ird.govt.nz/how-to/making-payments/electronic-payments](http://www.ird.govt.nz/how-to/making-payments/electronic-payments) if you'd like further information). Leave the next box blank, then enter the period end date this payment is for, not the date you're making the payment. This must show the day, month and all four digits of the year.

Each bank has a different cut-off time for processing payments. Your bank will carry over a payment made after this time and process it the following business day. So, please check your bank's cut-off time to ensure your payment will be processed on time. Most banks let you postdate your payment so you can set it up in advance for processing on a future date.

## Due date for filing and paying your fourth quarter or annual return

31 May 2009 is the due date for filing and paying both the fourth quarter and annual returns for the year ended 31 March 2009. Because 31 May falls on a Sunday and 1 June is the Queen's birthday holiday, they will be treated as received in time provided you have the return and payment to us by 2 June.

## Completing your FBT return for the period ended 31 March 2009

When completing your fourth quarterly *Fringe benefit tax quarterly return (IR 420)* please complete section C, not section B as you do in all other quarters. Section C tells us the FBT rate option you're using overall for the year ended March 2009.

The options available are:

- If you've paid FBT at 64% in the three previous quarters you can use the 64% or the multi-rate in quarter four.
- If you've paid FBT at 49% in any of the previous three quarters, you must use the multi-rate in quarter four.

If you're filing a *Fringe benefit tax annual return (IR 422)*, you can choose to use either the 64% rate or apply one of the multi-rate calculations.

## FBT and large employers

If you're a large employer, you must account for FBT quarterly, using the *Fringe benefit tax quarterly return (IR 420)*. You don't qualify for the *Fringe benefit tax income year return (IR 421)* or *Fringe benefit tax annual return (IR 422)*.

Your returns, with any payments, are due on:

Return	Due date
March	31 May (gives you time to do any multi-rate calculations)
June	20 July
September	20 October
December	20 January

## Liable for FBT, but you're not receiving your quarterly returns?

Large enterprise employers please call your account manager or 0800 443 773 and we'll update our records. Other employers—please call 0800 443 553.

## Cessation and your final return

When you no longer have a FBT liability and you cease your account with us, you have two months from the end of the quarter this falls in to file and pay the final return.

For example, your FBT liability ceases at 20 April 2009 (during the June 2009 quarter). So, your June return is due 31 August 2009 and not by the normal date of 20 July 2009.

If this situation applies to you and you find we've charged interest and late payment penalties from the normal due date, please call us on 0800 377 772 so we can correct it.



Alan Quinn  
Manager  
Customer Insight



Inland Revenue  
Te Tari Taake