



"Breaking news" – registered yet?

In the June issue of *AGENTSanswers* we talked about the "breaking news" email facility that is being set up to communicate urgent issues to you.

If your office would like to receive these "breaking news" updates, please send the email addresses of all staff who need this information to tax.agent@ird.govt.nz. To ensure the relevant staff receive this information we will not be using any existing email addresses that we hold. A new database will be created for this purpose.

Rebate claims

Donation receipts

If you are filing a rebate claim form on behalf of a client and they are linked to your agency list, the letter "A" will be printed on their rebate claim form. This means we won't send letters to you requesting receipts.

When using a rebate claim form that doesn't have the "A" present, please clearly state "receipts sighted" on that form. If you omit to certify it, we will issue a request for the receipts, delaying the processing of the claim.

Transferring rebate claims

Some tax agents have had trouble getting rebate credits transferred as required. This seems to be occurring when the income tax return is processed before the rebate claim.

To avoid these delays we recommend that correspondence is attached to both the income tax return and the rebate claim form. When correspondence relating to rebate claims is received with an income tax return, processing of the income tax return is delayed until the rebate claim has been processed.

Bulk issue of summaries of earnings

The bulk issuing of the summaries of earnings was completed by 30 May. If you received yours after 30 May, or had problems obtaining a summary of earnings, please send an email to agents.answers@ird.govt.nz giving your name, address and agency IRD number. This will enable us to investigate the circumstances that caused the delay.

Late filing penalty, removal of extension of time

Approximately 28,000 clients of tax agents have had a late filing penalty imposed for their 2000 return and their extension of time removed for their 2001 return.

Extension of time (EOT) will not be reinstated for the 2001 return, but may be reinstated for the 2002 return if one of the following conditions (as set out in the EOT agreement) is met:

- the 2001 return and the outstanding 2000 return are filed before the imposition of the late filing penalty on the 2001 return after 7 July 2001, or
- it is unrealistic to expect the taxpayer to file their 2001 return before a late filing penalty is applied. Approval may be given to reinstate the taxpayer's EOT for the 2002 return provided the taxpayer concerned has assessed and remedied the reason why their 2000 return was not filed by 31 March 2001. Also, they must provide a written undertaking to Inland Revenue that their 2002 return will be filed by 31 March 2003.

Bank account changes over the phone

From 1 June 2001 our policy for accepting bank account details over the phone changed.

The bank account changes that our call centres will now accept over the phone are where:

- only the suffix of the account is changing, or
- the bank account you would like added is already recorded for another tax type, or
- there is a terminated record of the bank account already in the taxpayer's records and you wish to reinstate the details.

If you want to have a new bank account number added to a client's account, you must give it to us in writing. One of the following will be acceptable:

- a *Fast refunds (IR 587)* direct credit authorisation, or
- a preprinted deposit slip, or
- a signed letter including the client's name, IRD number, full name of the bank account and the bank account number (including the bank and branch).

The IR 587 can be requested using INFOexpress—phone 0800 456 678.



Gremlins

Feedback has been received that a small number of "fill-in" forms on the 2001 tax agents' CD Rom contain fields with errors.

The forms are:

- *Individual tax return for use by tax agents (IR 3A)*
- *GST registration (IR 360)*
- *IRD number application – non-individual (IR 596)*
- *Client linking or delinking (IR 795)*
- *Adjustment request (IR 796).*

The faults are being corrected and will be updated shortly to our website www.ird.govt.nz/business/tax_agents/index.htm Once updated, you will be able to download the amended forms.

We apologise for any inconvenience caused by these problems.

Recently updated publications

The following publications have recently been updated. They are available from our website at www.ird.govt.nz or they can be ordered through INFOexpress or StationeryXpress.

Non-resident withholding tax payer's guide (IR 291)

A guide for people or institutions who pay interest, dividends or royalties to people who are not resident in New Zealand.

Inland Revenue audits (IR 297)

A guide for business people and investors. It explains how we choose who to audit, what is involved, how we will work with you and your client, and what happens once an audit is completed.

Declaration of an amalgamation (IR 432)

Use this form to tell us about a company amalgamation within 63 working days of delivering the amalgamation documents to the Registrar of Companies.

A representative of the company resulting from the amalgamation must complete this form.

Non-active company declaration (IR 433)

Use this form (previously the IR 4NA) to make a declaration that a company is non-active and therefore wishes to be excused from filing annual income tax and imputation returns.

Non-active company reactivation (IR 434)

If a company stops meeting any of the non-active company criteria and it has filed a *Non-active company declaration (IR 433)*, it must tell us it is no longer a non-active company by completing this form (previously the IR 4NC).

Supplement to qualifying company election tax (QCET) return (IR 438)

QCET is an entry tax to the qualifying company system. This form (previously the IR 4PS) was developed to simplify the QCET calculation.

E-Filing and paper returns

Generally, tax agents who E-File income tax returns for their clients do not require a paper return. However, in some special circumstances, such as when a client has a complex business that requires many attachments to the return, you may prefer to file a paper return rather than E-Filing for that particular client.

If you require a paper return to be issued for a client, you should phone the tax agents' 0800 number and have the client's E-File indicator changed to "N". An ad hoc return can then be issued for that client.

You can request the return to be issued by the call centre representative at the time you have the indicator changed, or through INFOexpress.

If the E-File indicator is changed you can expect a paper return to be automatically issued for that client in future years.

Tax changes for de facto couples

Following the enactment of the Property (Relationships) Amendment Act 2001 on 3 April 2001, provisions in the Income Tax Act 1994 and the Estate and Gift Duties Act 1968 dealing with matrimonial transfers have been extended to de facto relationships (including same-sex couples).

The extension of the gift duty exemption to de facto couples applies from 1 August 2001, and other changes apply from 1 February 2002, the date the Property (Relationships) Amendment Act 2001 comes into force.

The *Matrimonial property dispositions (IR 183)* form is currently under review to reflect the above changes, and the updated version will be available from 1 August 2001. For further information regarding the tax implications of the Property (Relationships) Amendment Act 2001 see *Tax Information Bulletin (TIB)* Vol 13, No 5, 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:

The Editor
AGENTSanswers
Inland Revenue
PO Box 2198
Wellington

Email: agents.answers@ird.govt.nz

AGENTSanswers is also on our website:
www.ird.govt.nz/business/tax_agents/index.htm