



## Inland Revenue meets the challenge of its peak telephone period

Inland Revenue's business plan, introduced in 2001, outlines the direction for our future. A priority has been to achieve our business goals in a way that the community understands and supports. In the past we have come under criticism for our telephone service delivery, particularly during May to July when many taxpayers are required to contact us.

Telephones have played an increasingly important role in the interaction we have with New Zealand taxpayers. Over 80% of our taxpayer service contacts are by telephone—that's more than 4 million calls. We have worked hard to improve our telephone performance and our call centre capability.

This year, we have been able to not only meet but exceed expectations. This is due to a combination of factors including the introduction of new technology to better manage call flows, phased mailouts to taxpayers and more customers using our automated telephone system and website. We have also continued to improve the capacity and capability of the call centres for the peak season, which has seen a large number of people from other parts of Inland Revenue assisting.

- The average speed for answering calls was 1 minute and 30 seconds in 2002 compared with 3 minutes and 30 seconds in 2000.
- Customer satisfaction with the telephone service continues to improve, up to 87%.

## CD Rom questionnaire

We are about to start the development of version 5 of the *Tax Agents' CD Rom*. To ensure that we have a product that is helpful and provides the correct information for tax agents, it is vital that we receive feedback from you.

Included with this issue of *AGENTSanswers* is a short questionnaire. We ask that you complete it and send it back (postage is prepaid) to us by the end of September.

Remember that this is your product and to improve it we need your feedback!

## Reminder letters to clients

Recently tax agents registered for *Breaking News* were asked to provide feedback on an initiative proposing that we issue reminder letters to your clients approximately one month before the due date. Thank you to those who responded.

Your feedback has resulted in the decision not to send a reminder letter to your clients, but to explore some of the other suggestions provided by agents. We will continue to seek feedback before any design decisions are made.

## IR 901D payment forms

In February 2002, all tax agents who use IR 901D sprocket-fed payment forms were advised that the November 2002 annual automatic delivery will be the last as we will no longer be printing them.

If you currently receive IR 901D forms, in the future we will send you IR 901C forms for all of your clients automatically once a year. The IR 901C sprocket-fed forms are carbonised and pre-printed with the client's name and IRD number but do not include the blank letter portion.

The IR 901Cs can be issued automatically either once a year in January, or three times a year in January, May and September. If once a year does not suit you, or if you prefer to be sent IR 901DL laser-type forms instead, please call the tax agents' 0800 number and have your records changed.

Any IR 901D forms left after the November 2002 delivery will be available for you to request using StationeryXpress or INFOexpress.

## Dishonoured cheques

Payments received by cheque that are subsequently dishonoured are not re-presented. This practice has been in place since the inception of the processing centres in 1989 and 1990.

When a payment is received at a processing centre, it is processed and allocated to the IRD number and revenue as per the attached pay-in slip. If the cheque is then dishonoured by the bank, a tape is run by WestpacTrust and matched to the original payment details. The amount is then debited against the taxpayers account. If the payment was for two or more revenues, manual action is required by the processing centres to debit the relevant accounts.

A statement is issued advising that the cheque has been dishonoured, and that payment is required. Where applicable, late payment penalties and interest are also charged.

## Escalation process for tax agents

In most cases, issues you may have with Inland Revenue can be successfully resolved through contact with an Inland Revenue staff member or customer service representative. However, in some cases issues may need to be escalated if you are still not satisfied with the service you have received. For example, if there has been an excessive delay in replying to a letter or you think a reply is incorrect.

If an issue cannot be successfully resolved through contact with staff, you should then contact your agent account manager. They will follow up the complaint and organise to have the issue resolved on your behalf.

Where you are still not satisfied that we have correctly dealt with your complaint, you can contact the agent account manager's team leader, their Area Manager or Service Centre Manager. Beyond this there is Inland Revenue's Complaints Management Service, which can take a fresh look at your complaint.



## New provisional taxpayers

If a provisional taxpayer meets the definition of a “new provisional taxpayer”, the provisional tax rules and the use-of-money interest (UOMI) rules apply only to those provisional tax instalment dates falling due after the taxpayer started business.

Generally taxpayers are not required to pay provisional tax in their first year of business, but they may be subject to UOMI. The new provisional taxpayer rules may reduce the period of time that the taxpayer is subject to UOMI.

To calculate the correct amount of UOMI for a new provisional taxpayer, we need to know their “first business day” (as defined in the legislation). This date needs to be included in the income tax return filed for the year in which the business commenced (except for IR 3 returns). If the taxpayer files an IR 3 return, a note should be attached to the return confirming that they are a new provisional taxpayer and advising their first business day.

When we have this information, we can then correctly calculate the UOMI liability or entitlement for the new provisional taxpayer.

## Change of balance date and transitional years

In the 1999 tax year new legislation came into effect which changed the amount of provisional tax payable in a year where approval is given for a change of balance date. These years are now referred to as “transitional years”.

The transitional year rules set out:

- the pattern and number of provisional tax instalments and their due dates in the transitional year
- the amount of provisional tax payable on each instalment date in the transitional year
- the amount of provisional tax payable in the year following the transitional year
- the special rules for the calculation of use-of-money interest (UOMI) in a transitional year.

From the 2001 tax year, we introduced new systems that automatically calculate the provisional tax and UOMI for transitional years. The transitional year rules were applied manually for the 1999 and 2000 years.

When you receive approval for a client to change their balance date, you should be informed of how many provisional tax instalments will be due in the year the balance date changes. This may range from one instalment to six instalments, depending on the number of months between the previous year’s balance date and the new balance date. The instalment dates are based on the old balance date, except for the final instalment, which is always due in the final month of the transitional year.

The amount due on each instalment date will depend on whether the provisional tax is payable under the standard option or has been estimated. The instalment amounts are increased or decreased to take into account the length of the transitional year. This is achieved by way of formulae set out in the legislation.

When the income tax return for the transitional year is filed, there is no difference in how the assessment for that year is calculated. However, if the transitional year’s residual income tax becomes the base for subsequent payments of provisional tax for a following year, it will be increased or decreased to take into account the length of the transitional year for the purposes of calculating that provisional tax.

You will also notice a different UOMI calculation as this is calculated over the provisional tax instalments payable for the transitional year, instead of the standard three instalments.

The changes ensure that an appropriate amount of provisional tax is paid during the transitional year and, where applicable, interest on underpayments and overpayments is charged.

A more detailed discussion of the transitional year legislation can be found in *Tax Information Bulletin (TIB)* Vol 9, No 12.

## Rebate claims

### Transferring rebate claims

If you would like a credit from a rebate claim to be transferred to an amount owing from an income tax return, or if you would like a credit from a rebate claim released with an income tax refund, please complete the transfer details on the rebate claim form.

We also suggest you attach correspondence to the income tax return to avoid any confusion around transfers appearing not to have been done because of timing.

If the income tax return is processed before the rebate claim form, the notice of assessment and any statement for the return may be issued before the credit is transferred. If correspondence attached to the income tax return indicates there is a credit to be transferred, the notice and statement will be held until such time as the transfer has been done.

### University and polytechnic fees

Some students are being advised that they can claim university fees and polytechnic fees through the rebate claim form process. Please advise any clients that are students that these fees cannot be claimed. Sections KC5(1), KC4(2) and KC4(1) clearly state what can be claimed.

### Additional receipts to claim

If you have additional receipts to claim for a client, please do not file a second rebate claim form. Instead, ask for the additional receipt amounts to be added to the original claim. Do this by either sending E-File correspondence, completing a *Tax agents’ request form (IR 796)*, or phone us on the tax agents’ 0800 number.

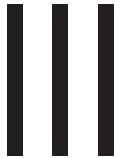
### Note from the editor

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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BRP Authority number 54297



*Tax Agents' CD Rom* survey  
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## CD Rom questionnaire

1 How often is the CD Rom used per day?

- 0 times
- 1 – 2 times
- 3 – 5 times
- 6 – 8 times
- 9+ times

2 Do you like the current format of the CD Rom?

- Yes
- No

3 How do you find navigation around the CD Rom?

- Very easy
- Easy
- Acceptable
- Moderately difficult
- Very difficult

4 What version of web browser do you use?

- Internet Explorer 4.x
- Internet Explorer 5.x
- Internet Explorer 6.x
- Netscape Navigator 4.7
- Netscape Navigator 6.0

Other, please specify:

5 What version of Acrobat Reader do you use?

- version 3.0
- version 4.0
- version 5.0

Other, please specify:

6 Do you use the fill-in forms on the CD Rom?

- Yes
- No

7 Do you copy the CD Rom onto a:

- Network
- Local hard drive
- Neither (CD Rom is accessed directly from the CD Rom drive)

8 Have you used the product updates page on the CD Rom?

- Yes
- No

9 Would you like the CD Rom retained or the information on it migrated to the Inland Revenue website?

- CD Rom
- Website
- Both

Other comments

Please secure edges to send

Please secure edges to send