



Seasons greetings

As this is the last edition of *AGENTSanswers* for 2006, I would like to thank all of you who have provided us with feedback and suggestions throughout the past 12 months.

I would like to wish you and your families a safe and happy break and look forward to working with you all again next year.

Kathleen Clement

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Inland Revenue services over the Christmas and New Year break

E-File

The E-File system and the E-File helpdesk will be unavailable from midday **22 December 2006** to 8 am **3 January 2007**. You'll not be able to use the E-File facility during this period as annual maintenance will be taking place.

AMBR 1006 weekly activity reports

The last weekly activity reports to be issued before Christmas will be for the week ending **22 December 2006**.

We will restart producing the paper weekly activity reports again on **29 December** and these will include any activity from **23 December 2006**.

Statement and refund issuing

The last weekly activity reports to be issued before Christmas will be for the week ending **22 December 2006**.

The last day of issuing statements, refunds etc before Christmas is **15 December 2006**. Issuing will start again on **2 January 2007**.

Internet

As other Inland Revenue systems that are used by the internet will be unavailable from **23 to 26 December 2006**, there will be a delay in sending your requested items or processing any requests.

This will mean that the online linking and delinking service will be unavailable between these dates.

	Call centre hours	INFOexpress availability
Friday 22 December	8 am – 6 pm	Normal hours*
Saturday 23 December	Closed	6 am – 1.30 pm
Sunday 24 December	Closed	Not available
Monday 25 December	Closed	Not available
Tuesday 26 December	Closed	Not available
Wednesday 27 December	8 am – 5 pm	Normal hours
Thursday 28 December	8 am – 5 pm	Normal hours
Friday 29 December	8 am – 5 pm	Normal hours
Saturday 30 December	Closed	6 am – 10.00 pm
Sunday 31 December	Closed	Normal hours
Monday 1 January	Closed	Normal hours
Tuesday 2 January	Closed	Normal hours
Wednesday 3 January	8 am – 8 pm	Normal hours
Our normal hours of service (8 am to 8 pm weekdays and 9 am to 1 pm Saturdays) resumes from Wednesday 3 January 2007.		
The Child Support enquiry line (0800 220 222) will close at 4.30 pm on 22 December and re-open on 3 January 2007.		
*INFOexpress provides an automated response from 6 am to 12 midnight, and accepts messages from midnight to 6 am seven days a week.		

As other Inland Revenue systems that are used by INFOexpress will be unavailable during this period, there will be a delay in sending your requested items, for example stationery or tax returns.

Faxbacks, which detail client information, will be available on the same dates as INFOexpress.





Charities Commission update

The Charities Commission will begin the registration of charities under the Charities Act on **1 February 2007**. This new legislation changes the requirements for charitable organisations claiming income tax and gift duty exemptions.

Registration with the Commission is voluntary; however, existing charitable organisations will need to register before 1 July 2008 to retain their tax-exempt status on the grounds of charitable purpose. This includes Charitable Trusts and Incorporated Societies that carry out charitable activities. From **1 July 2008**, only organisations registered with the Commission will be eligible for exemptions from income tax and gift duty.

To be eligible for registration under the Charities Act, an organisation must be established and maintained for charitable purposes—or, if a trust, have at least one charitable objective.

Applying for registration involves completing an application form, officer certification forms for each officer, and providing the Commission with a copy of your organisation's rules. Charitable organisations can apply at www.charities.govt.nz or by post. Registration forms will be available from the Commission in the New Year.

Once registered, charities must file an Annual Return and notify the Commission of certain organisational changes to comply with the Act.

While the Charities Commission will decide if an organisation qualifies for registration under the Charities Act, Inland Revenue will continue to administer the income tax and gift duty exemptions available to charities and decide whether donations to a charity are eligible for rebates and deductions. ***Donee status is not affected by the Charities Act.***

More information about how the Charities Act affects the tax benefits available to charities is contained in Fact Sheets 18 *How the Charities Act affects your tax status*, which is available at www.charities.govt.nz/guidance/tax.html

The Commission has begun an awareness-raising campaign to ensure as many communities as possible have a basic understanding of the Charities Act and its implications. As part of this campaign, the Commission will run about 70 free registration workshops throughout the country from 12 February to 30 March 2007.

For details and further information, visit the Charities Commission website www.charities.govt.nz or call their free information line 0508 242 748. To receive regular email updates from the Commission, send your contact details to info@charities.govt.nz

Availability of L letters

We will be “turning off” L letters at the end of January 2007 and they will be available again from early August 2007. This means you won't be able to request an L letter to be sent to your clients during this period.

If you have any clients who have not yet provided you with their records and you would like us to send them an L letter, make your request through INFOexpress before the end of January—remember when using INFOexpress you don't need to wait for the voice prompts before you move on to the next step.

Remember, by issuing an L letter, the client is removed from your performance statistics until the return is filed.

New style certificate of exemption

We've improved the way we issue certificates that exempt people from withholding tax, in an effort to reduce compliance costs and address tax evasion in certain industries.

The new certificates will be a convenient credit card size and will have more security features. We'll also have the discretion to issue certificates for a longer exemption period—from one year to five years, depending on compliance history.

The changes will apply to certificates that take effect from 1 April 2007.

The processes around applying for a certificate, and the eligibility criteria remain the same. People qualify for a certificate if they have a good record of filing returns and paying their tax. Those with a very good compliance history will be eligible for a longer exemption period.

In some industries, people have falsified or misused certificates of exemption in order to evade tax. Tax evasion causes unfair competition. The new-style certificates are designed to help reduce this risk, and “level the playing field” where there is a likelihood of unfair competition.

In January 2007, people who currently hold a certificate will be sent an application form so they can renew it. Those who don't have a certificate can apply for one at www.ird.govt.nz

People should receive their new certificates during the February – March period.

If you have any questions, please contact your agent account manager.

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 on our website:

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