



Industry Partnership field teams

In the October issue of *AGENTSanswers* we outlined Inland Revenue's Industry Partnership initiative and explained that dedicated field teams are being set up to work with industry members.

These teams are now in place—one in each of our service centre areas of Takapuna, Manukau, Hamilton, Wellington and Christchurch. They are also providing services for taxpayers in areas outside of these main centres.

Integrated teams and links to specialists

The teams are made up of staff from services, return and debt collection, child support and investigations. They have started working with individual taxpayers and their tax agents and will also work with industry groups.

Other staff in specialist roles will provide additional support, including agent account managers who will assist in identifying the reasons for non-compliance, opportunities for information and process improvement, and may assist with coordinating seminars.

Information we gain through surveying industry members will be used by the teams to ensure we provide services in ways that are most effective to meet members' needs—both in supporting compliance and addressing non-compliance.

Industry associations are keen for their members to get on top of their tax affairs as part of running successful, professional

businesses. They see benefits in members having a better understanding of their obligations and being able to access the resources and services available to help them meet these, including the expertise of using a tax agent. This is one of the reasons field teams will be working closely with agent account managers.

Focus on supporting compliance

We are working with our industry partners to make it as easy as possible for people in these industries to comply with their tax obligations by removing barriers, providing information and tailoring assistance programmes to suit their specific needs. We want to give members every opportunity to comply with their tax obligations. For those who have fallen behind, for example with outstanding returns and debt, we want to help them get up-to-date.

The field teams will initially focus on the services and return and debt collection functions. In the future, more emphasis will be placed on those who fail to comply despite being given every opportunity to do so.

We will be encouraging industry members to make voluntary disclosures to get themselves back on track, taking advantage of the reduced shortfall penalties associated with making a voluntary disclosure.

Second return filing target – 22 November 2002

The second extension of time (EOT) filing target date for the 2002/03 year is approaching. The percentages due to be filed by 22 November 2002 are:

Standard target	60%
E-File target	57.5%
Late balance date target	50%

If you think you may have difficulty achieving your targets, contact your agent account manager or corporates account manager to discuss your situation.

Remember you can send an L letter, using INFOexpress, to any clients who haven't provided you with the information needed to prepare their return.

Online depreciation calculator

Following the enhancement of the depreciation rate finder, an online calculator has been developed to calculate depreciation. This is now available on our website.

The depreciation calculator is a useful tool. It can calculate depreciation on any business asset, for as many years as required, according to the business use percentage.

All you need to do is find the asset's depreciation rate in the already available rate finder at

www.ird.govt.nz/cgi-bin/form.cgi?form=deprates

You can find the calculator at

www.ird.govt.nz/cgi-bin/form.cgi?form=depnalc

We welcome feedback about this product. Please email your comments to agents.answers@ird.govt.nz





Taxpayer self-assessment

Legislation has been enacted to formally recognise that taxpayers have a responsibility to self-assess their tax liability as part of meeting their return filing obligations. This change applies from 1 April 2002 for the 2002/03 income year. Previously, the legislation indicated that the Commissioner of Inland Revenue performed all assessment functions.

This change is to acknowledge and formalise that self-assessment adds to and enhances other improvements towards the simplification of tax administration by:

- making responsibility clearer, and
- removing ambiguity.

Implementing the change

The change affects income tax only. No significant policy changes are required as the legislation has been aligned more closely with current practice. Also, there are no significant changes required to returns or assessment procedures.

You will notice minor changes to the wording on the 2003 year income tax returns making the status and purpose of the forms clearer. For example, it will be clear that taxpayers make an assessment with their return, and the Commissioner either acknowledges the return or makes an alternative assessment if there is an error in the taxpayer's version.

What about early balance dates?

Early returns will need to be completed on 2002 stationery altered in the usual way by crossing out the "2002" at the top of the form and clearly marking it "2003".

More information

Self-assessment is discussed in more detail in *Tax Information Bulletin (TIB)* Vol 13, No 11 which is available on our website at www.ird.govt.nz/library/newsletters/tib/vol13

If all your questions have not been answered, please email Larry McCormack at larry.mccormack@ird.govt.nz

Protecting the integrity of the New Zealand tax system

The Commissioner of Inland Revenue, David Butler, spoke to the recent Institute of Chartered Accountants of New Zealand conference on protecting the integrity of the tax system. You can read his speech on our website at www.ird.govt.nz/taxagents/2002taxconference.html

New transfer rules

The recent enactment of the Taxation (Relief, Refunds and Miscellaneous Provisions) Act has introduced a new set of rules for the transfer of overpaid tax between accounts. The new rules have been introduced to address uncertainty and inconsistent practice when overpayments are transferred.

You will notice a number of changes as a result of the new legislation.

The *Tax agents' request form (IR 796)* has been updated and now allows more details to be given about the date you want an overpayment to be transferred. The new version is available from our website, INFOexpress and StationeryXpress.

Changes are also being made for transfers requested on 2003 year income tax returns. Details about these changes will be on Version 5 of the *Tax Agents' CD Rom*.

You can still request transfers for clients by phoning the tax agents' freephone number. This includes transfers that have already been done, but which you think need to be reviewed in light of the new rules. Staff will be happy to help with any questions.

Full details of the new rules are included in *Tax Information Bulletin (TIB)* Vol 14, No 11, and information is also available on our website at

www.ird.govt.nz/library/newsletters/tib/vol14

Disconnection of telephone numbers

If you have continued to contact Inland Revenue by using local Inland Revenue office phone numbers, please note these have now all been disconnected.

The 0800 numbers are now well-established so local numbers are no longer required. Please use the tax agents' freephone number to make any enquiries about your clients.

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
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