



Software Developers Newsletter

September 2009

What's new ?

EMS Business Optimisation Update:

Software Developer Liaison Unit (SDLU)

The EMS Business Optimisation Project team are currently establishing the Software Developer Liaison Unit (SDLU) as outlined to you at the June conference. The unit has been created in response to the growing need for Inland Revenue and you to work more closely. At present the unit is still in the early stages, and are beginning to recruit people and establish processes for the unit. We will be working closely with Dave Gillespie to ensure a smooth transition.

Initial SDLU functions:

- Developing this newsletter to ensure you are well informed about what is happening within Inland Revenue.
- Act as a co-ordination point for projects within Inland Revenue who wish to consult with you as they develop products and processes, and may require you as a stakeholder.
- Co-ordinate work on upgrading the format of the payroll specifications.
- Increase Inland Revenues understanding of you as an industry group.
- Arrange and facilitate the twice yearly workshops with you.

If you require more information please contact us at sdlu@ird.govt.nz and we will be happy for forward you our memo dated 6th August 2009.

Current Inland Revenue contacts

Whilst the SDLU is being established our contact points are:

Technical Issues	payroll.developers@ird.govt.nz
Strategic and Escalation Issues	dave.gillespie@ird.govt.nz
EMS Project Feedback	emsbusoptproject@ird.govt.nz
Consultation Issues	sdlu@ird.govt.nz

What's new ?

EMS Business Optimisation Update:

Turning off the printed IR345

Inland Revenue is working towards ceasing to issue Employer Deductions Forms (IR345) to employers who are currently using ir-File to submit their EMS. The reasons for this change are two-fold:

- To reduce the amount of paper being issued to employers who file their returns electronically, and
- Proposed change in the Taxation (International Taxation, Life Insurance, and Remedial Matters) Bill mandates that employers who are required to electronically file their Employer Monthly Schedule (IR348/EMS) are also required to electronically file their Employer Deductions (IR345/EDF) forms.

We would like your help to help identify the impacts of this change on Tax Agents, Payroll Bureaux, Payroll Intermediaries and employers.

If you would like us to include you in the consultation, please contact the Software Developers Liaison Unit by email headed up "IR345 consultation" to sdlu@ird.govt.nz, with the name and contact details for the primary point of contact within your organisation.

Integration of ir-File with payroll products

At our June 2009 conference we talked to you about an option for integrating ir-File into your software. We are still negotiating the resources and facilities required to progress this work, and will contact those of you who signalled your interest at the conference to let you know when we'll be able to do this work.

Payroll specification

In response to the feedback received from software developers around the current payroll specification process, we are undertaking a redesign and enhancement of this document.

Once this work is complete our intention is to pass this to the working group who put themselves forward at the conference for their feedback. This is an extension of the "Lessons Learnt" workshop Dave Gillespie held on 29th April with your input as the basis of the work underway.

Legislative and Policy Update

The "Big Bill"

The Taxation (International Taxation, Life Insurance and Remedial Matters) Bill is nearing the end of its passage through Parliament. The Bill in its earliest form was introduced to the house in July 2008. Having passed through the Bill's second reading we currently are awaiting the committee of the whole house and then royal assent.

Payroll Giving

Awaiting the progress of the above bill the specification changes for this area of work have been completed. The specification will not be published on our website until such time as the bill has passed royal assent, however we will making this available on request to the Software Developers Liaison Unit (SDLU).

This is a departure from our conservative approach of waiting until ultimate certainty, accordingly the specification will be released early in a strictly draft format. If you would like a copy of the draft specification please contact us at sdlu@ird.govt.nz

To assist with the practical requirements of operating payroll giving Inland Revenue now will publish a listing of donee organisations; this will be updated weekly and contains a download function at <http://www.ird.govt.nz/donee-organisations/>

Victoria University Tax Working Group

The Ministers of Finance, Hon Bill English and the Minister of Revenue, Hon Peter Dunn have agreed to establish a Tax Working Group to consider the pros and cons of various tax policy proposals designed to address medium-term tax policy challenges facing the tax system.

The group will consider the medium-term direction of the current tax system and work through the pros and cons of a variety of policy options.

The group is supported by Victoria University (VUW) in partnership with the Treasury and Inland Revenue, will meet for 5 half day sessions taking place between May and November this year. VUQ will follow these sessions with a 1-day conference in December to discuss the issues explored by the group.

The group is chaired by Bob Buckle (VUW) and will be made up of tax policy officials, academics and experts from the private sector.

To date two sessions have been held. To keep informed on the issues being addressed by the working group, please refer to the website: <http://www.victoria.ac.nz/sacl/CAGTR/taxworkinggroup/index.aspx>

Keeping your finger on the pulse

Because it is important for you to know what's on the legislative horizon and to be able to add your voice to the public consultation process the following links will enable you to review and register to obtain automatic updates from Inland Revenue: <http://www.taxpolicy.ird.govt.nz/> and <http://www.ird.govt.nz/public-consultation/>

Improvements & Consultations

Upgrade of our info for software developers – current website

Work is underway to move and update the website pages in the short term whilst we are looking at the most appropriate communication channels we can utilise going forward to ensure speedy and effective communication. Our first priority is to make more information available on the site followed by establishing a new area within the website to focus on software developers in your own right rather than as an extension of the PAYE section.

E-File Developers Strategic Forum

The E-file system is the channel currently used by tax agents to bulk process their filing with Inland Revenue. In mid August our first strategic forum was held. The forum brought together those software developers who put themselves forward, Inland Revenue staff and representation from the tax agents. The meeting provided a good basis of understanding for all parties and a clear will and commitment to work together was evident.

As a follow up a further meeting was held 3rd September to discuss some of the proposals in more depth, a summary minute of both meetings will be issued in the near future to those software developers identified to us as working in the e-file.

Updates from Inland Revenue Projects

Transform IR

Project work begins at a high level reviewing how Inland Revenue will look by the year 2014. The strategic priorities are being set around areas such as improving IT infrastructure to support our customers to self manage via e-channels.

eGST Project

This is part of Inland Revenue's roadmap to improve e-services where the current eGST service will be improved through a step-by step process. Our key objectives are to analyse the end-to-end eGST process and implement improvements to enable a channel shift from the 'paper' to 'e'.

We will be working closely with SBR project and are look at utilising a B2B capability to better integrate transfer of data between accounting software and Inland Revenue. Other areas of focus are streamlining the current online return filing process, electronic notifications and improved registrations process.

Updates from Inland Revenue Projects

Implementing Standard Business Reporting (SBR) in New Zealand

Standard Business Reporting is a programme of work supported by the New Zealand Government with the aim of improving the way businesses provide information to government agencies.

SBR aims to reduce compliance costs for business by reducing the need to file the same financial information to multiple agencies, minimising duplicated and unnecessary data, and automating the preparation and filing of statutory returns required by participating agencies.

Developing a GST reporting taxonomy - to progress the introduction of SBR the Government has approved Inland Revenue and Statistics New Zealand to harmonise and rationalise a number of forms that impose high compliance costs for businesses, and then to implement a GST reporting taxonomy. This will form the basis for applying SBR to other Government departments.

With the participation of software developers we will enable filers of GST reports to automate the preparation and filing of information, which could lead to reductions in time and costs. The successful implementation of this reporting taxonomy is likely to ensure the future development of other reporting taxonomies.

It is proposed that the first release of the SBR taxonomy will be available in October 2009 with the ability for GST information to be tested by Inland Revenue and Statistics New Zealand by early 2010. A key requirement of this project is to provide the accounting and software development community the necessary support from an end-to-end approach to make this implementation a success.

If you would like more information or if you are interested in being involved in the next phase of consultation and development please contact Nuwan Silva on 04 978 4009 (nuwan.silva@ird.govt.nz) or Clyde Rolston on 04 890 2848 (clyde.rolston@ird.govt.nz).

What's next ?

What can you expect to see next from us?

- Regular and better designed newsletters (communications) with improved hyperlink functions to keep you up to date
- An improved website
- Another conference to be organised for November 2009
- Potential for you to be sent draft specifications before the legislation has been finalised.
- More invitations to consult with us relating to specific projects and products
- Requests for better information about you so we have a better understanding of who you are and what you do.

Your thoughts ?

Feedback sought

As we move forward establishing the SDLU we would appreciate your feedback on this newsletter, how we can best communicate with you in the future, what information you want from us, etc. To pass this feedback to us please contact us at sdlu@ird.govt.nz.

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