

COMMUNITY WISE

Inland Revenue's community update

September 2009 • IR 160

Our compliance plans for the coming year

Every year, we make plans to help our individual and family customers. We want to make it easier for you to claim your entitlements and meet your responsibilities.



This year, we're giving you a heads-up about what we'll be doing to address tax and social support issues. Our plans are set out in a document *Helping you get it right: Inland Revenue's compliance focus 2009-10*.

We'll be reminding you of social support payments available, improving our online services, and reducing compliance costs.

Some of our activities target the minority who deliberately attempt to under pay their tax or claim payments they're not entitled to.

The plan has information for different community and business segments. The ones you'll find particularly relevant are "Individuals" and "Families".

Planned activities include:

- improving our processes to protect against identify theft
- promoting awareness of the donations tax credit
- improving the end-of-year square-up process for income tax
- identifying fraudulent Working for Families Tax Credits claims
- looking at new ways for parents to pay child support.

Why not go to our website and get the full story? You'll find *Helping you get it right: Inland Revenue's compliance focus 2009-10* at www.ird.govt.nz under "About us", "Reports".

Are you entitled to a tax refund?

You might be entitled to a tax refund if you were a salary and wage earner and you:

- worked for only part of the year, eg, you went on maternity leave
- earned less than \$14,000
- were paid a lump sum, eg, redundancy
- had more than one job
- were under 15, or under 19 and still at school
- have expenses to claim
- paid too much tax.

Anyone can find out if they qualify for a tax refund—you can do it anonymously and it's free. To see how much you may be entitled to go to www.ird.govt.nz (keywords: get money back) or use the *Personal tax worksheet (IR 746)* under "Work it out".

Note: If you earned over \$200 of interest and/or dividends you may need to request a personal tax summary (PTS). You can use our calculators to find out. Go to www.ird.govt.nz (keyword: PTS).



Inland Revenue
Te Tari Taake

Welcome to Community Wise

In this issue: Our compliance plans for the coming year; find out if you're entitled to a tax refund; tax credits for donations, childcare and housekeeping; new online services; student loan "Notify Me" e-newsletter; more features coming for 0800 number; new online resources for businesses; bringing all our business tax news to you; update your subscription details.

If you have any suggestions for topics you'd like covered in this newsletter, email communitywise@ird.govt.nz

Our new look

You'll see this issue of *Community Wise* has a fresh new look. We've redesigned all our newsletters to give them a consistent look and feel, making it easy for you to recognise them.

We publish a range of newsletters for community groups and students, tax agents and other tax professionals, payroll staff, businesses and corporate organisations. Each newsletter has its own distinguishing colour, but similar layouts will make it quick and easy for you to find the information you need.

You can find all our newsletters at www.ird.govt.nz "Newsletters and bulletins". To subscribe to receive an email alert go to www.ird.govt.nz/subscribe

Tax credits for donations, childcare and housekeeping

Have you made a donation to a charity, paid for childcare, or paid a housekeeper over the past year? We have some good news. You may be entitled to get some money back—and you can make a claim now.

Donations tax credit

You can claim a tax credit if you paid \$5 or more to an approved charitable organisation and you have a receipt to support your claim.

The maximum claim of \$630 in place last year has been removed so you may be able to claim a larger donations tax credit this year.

Approved charitable organisations include:

- approved New Zealand religious organisations
- medical research schools and universities
- approved overseas aid funds
- kindergarten associations
- state and state-integrated schools, or their boards of trustees.

A list of approved charitable organisations (sometimes called “donee organisations”) can be found at www.ird.govt.nz/donee-organisations

If you pay fees to a private kindergarten or an early childcare centre, you can’t claim a donations tax credit, but you may be able to claim a childcare tax credit.

Payments to schools qualify for a tax credit if the payments are donations or school fees that go to the school’s general fund. Payments for activities like woodwork or school camps don’t qualify. Other exceptions are listed on our website.

How much can you claim?

Your tax credit will be the lesser of:

- 33.33% of the total donation you’ve made, or
- 33.33% of your taxable income.

Companies making donations

The rules are different if you run your business as a company. If a company makes a donation to a charity we’ve approved, the company can claim a tax deduction for that gift. The maximum deduction is equal to the company’s net income calculated before taking the deduction into account.

These rules also apply to Māori authorities.

Childcare tax credit

You can claim a tax credit in certain situations if you paid a person or an organisation to look after your child and you have a receipt to support your claim.

To qualify for a tax credit your child must be under 18. However, if your child is over 18, you may still qualify for a tax credit if they have a disability that prevents them from working.

You must either be a single parent, or in a relationship where both you and your partner are working.

If you or your partner has a disability and you’re physically unable to care for your child, you may be able to claim a tax credit. Please note that you can’t claim a tax credit if you live in a communal home like a rest home or a hospice, unless you’re regularly involved in running the home.

How much can you claim?

Your tax credit will be the lesser of:

- 33% of the total payments you’ve made, or
- \$310, or
- 33% of your taxable income.

Housekeeper tax credit

You can claim a tax credit if you have receipts to show that you paid for a housekeeper because you (or your partner) have a disability and you’re physically unable to do your housework.

How much can you claim?

Your tax credit will be the lesser of:

- 33% of the total payments you’ve made, or
- \$310, or
- 33% of your taxable income.

Claiming your tax credit

To claim your tax credit, send us a completed *Tax credit claim form (IR 526)*. Please remember to attach your receipts.

If you claimed a tax credit last year, we’ll automatically send you a new form this year. If you don’t have a form, you can get one from www.ird.govt.nz under “Forms and guides”.

Your tax credit will be paid out as a refund unless you have tax owing, or you’ve asked us to transfer the money to another account.

If you need more information, please go to www.ird.govt.nz and look under “Individuals & families”, “Individual income tax”, “What to do at the end of the tax year (31 March)”.

Sharing receipts

Are you claiming a maximum donations, childcare, or housekeeper tax credit? If you have any receipts left over, you can give them to your partner. Your partner can file their own IR 526 and claim for the surplus receipts.

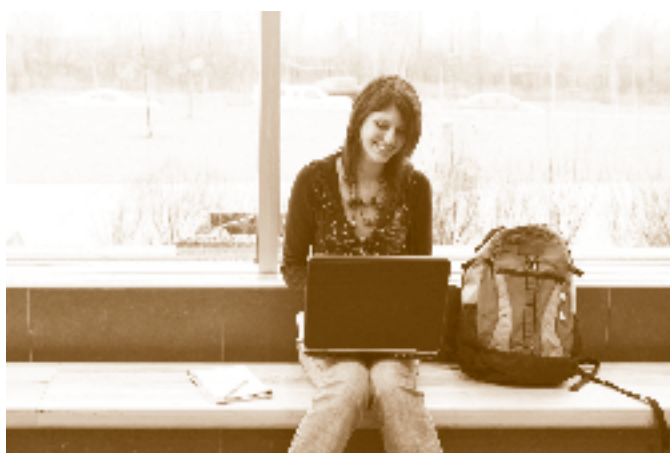
Student loan “Notify Me” e-newsletter

“Notify Me” is our new e-newsletter for people with a student loan. It contains information about:

- changes to student loan policy (including updates to the voluntary repayment bonus)
- reminders of due dates for payments
- what to do if you’re going overseas
- using the right tax code
- plus lots of other useful student loan information.

Go to www.ird.govt.nz/subscribe where you can subscribe to all our newsletters, including “Notify Me”.

You won’t be able to reply to the emails we send you through this service. If you want to send us secure emails or check your student loan details online you’ll need to register for online services. Go to www.ird.govt.nz and click on “Secure online services”.



Need to update your subscription details?

Community Wise is produced for community agencies who work with Inland Revenue customers. It aims to keep community agencies informed about relevant social policy and individual tax information, which they can then pass on to their customers.

Use this newsletter as a resource if you have customers needing key information about personal tax, child support, family assistance and student loans.

Only community agencies, not individual customers, can receive printed copies of this newsletter. Individuals can view current and past copies, as well as all our newsletters at www.ird.govt.nz “Newsletters and bulletins”.

If you need to update your postal details, or want to add another agency to the mailing list, please email the details to us at communitywise@ird.govt.nz

New online services

We’ve recently introduced a number of new features and some enhancements which will enable you to do more online. We’re also adding further enhancements later this year and early next year.

Using some of the new services you can:

- confirm a personal tax summary (PTS) online for the 2009 tax year
- complete an IR 3 tax return online, which will pre-populate with information from our database, including your income and personal details
- partly complete an IR 3 or PTS confirmation and save the draft to complete at a later date.

To find out more about our secure online services and to register for them, go to www.ird.govt.nz/myir

New online resources for businesses

In May we launched two online tools for businesses.

The **“Tool for business”** has a number of links to relevant topics such as:

- How do I start a business?
- What records do I need to keep?
- How does tax work?
- Do I need to register for GST?
- What do I do if I employ someone?

The *“Tool for business”* webpage

How do I start a business?	What records do I need to keep?	How does tax work?	Do I need to register for GST?	What do I do if I employ someone?
 Getting ready 	 Record keeping 	 Filing and paying 	 When to register for GST 	 Employing for the first time 
Getting an IRD number 	Income and expenses 	First year 	How to record GST 	Filing obligations 
Your entitlements 	Asset records 	Provisional tax 	Different kinds of supplies 	KiwiSaver 
	Depreciation 	Expenses 	Ceasing, changing or selling assets 	Employment changes 
		Interest and penalties 		
		Fringe benefit tax 		

A **GST filing demonstration** is also available on our website. This shows how easy it is for GST-registered businesses to file online. Filing GST online is easier, quicker and more accurate. You can find these new products at www.ird.govt.nz/businesses

More features coming for 0800 number

We’re enhancing our phone system from late September. These new features will mean you’ll go straight to the right place to have your enquiry answered. In some cases, the system will also offer self-service options.

So, if you call us after these features are introduced we may sound a little different, but we’re still here to give you the best possible help with your enquiries.

Contacting our community relationship advisors

Our community relationship advisors are responsible for educating customers on entitlements and compliance responsibilities. Check the list below for the community relationship advisors in your area.

Area and name	Contact number
Whangarei	
Angela Pearson	09 986 6000
Luana Poata	09 986 6028
Leanne Hohaia (Kaitakawaenga Māori)	09 986 6007
Takapuna	
Nicola Sharp	09 984 1641
Linda Fawcett	09 970 6041
Manukau	
Helen Lisiua	09 984 2230
Kevin Mascarenhas	09 984 2254
Paul Tuisaula	09 984 2343
Sophie Chungson	09 984 2332
Christina Fifita	09 984 2376
Hamilton	
Chris Novak	07 959 0267
Moana Ratima	07 959 0266
Maureen Thornton (Kaitakawaenga Māori)	07 959 0238
Wiremu Panapa (Kaitakawaenga Māori)	07 959 0690
Tauranga	
Lorraine Morten	07 927 5361
Tania Faulkner (Kaitakawaenga Māori)	07 927 5226
Rotorua	
Nikki Emery (Kaitakawaenga Māori)	07 921 3809
Edward Nathan	07 921 3824
Gisborne	
Danny Fong	06 986 2003
Ian Procter (Kaitakawaenga Māori)	06 986 2028
New Plymouth	
Naida Tuirirangi (Kaitakawaenga Māori)	06 968 4026

Napier	
Paula Nicol	06 974 6331
Nikki Harrison (Kaitakawaenga Māori)	06 974 6359
Palmerston North	
Philippa McNae	06 953 3096
Charmaine Ratima (Kaitakawaenga Māori)	06 953 3026
Rhys Mohi (Kaitakawaenga Māori)	06 953 3105
Wellington	
Brian Woolford	04 890 1037
Iriea Williams	04 890 3294
Tracey Taylor	04 890 1153
Ruta Wright (Kaitakawaenga Māori)	04 890 1169
Luke Schaumkell (Kaitakawaenga Māori)	04 890 1009
Nelson	
Kaye Latham	03 989 6000
Margaret King	03 989 6158
Dayveen Stephens (Kaitakawaenga Māori)	03 989 6146
Greymouth	
Juliette Henry	03 906 0317
Christchurch	
Mary Jane Heu (Kaitakawaenga Māori)	03 968 0792
Nicole Manawatu (Kaitakawaenga Māori)	03 968 0648
Christchurch/Timaru	
Don Amyes	03 968 0488
Annie Light	03 956 7020
Dunedin	
Cindy Henry	03 951 2011
Kiwhare Mihaka (Kaitakawaenga Māori)	03 951 2087

✓ KEY DATES & EVENTS

August

Personal tax season

If you haven't already received a personal tax summary you can request one now.

30 September

Student loans

For students who aren't on a repayment holiday the second

student loan instalment for non-resident borrowers living overseas is due.

November

Student loans

All student loan borrowers will receive their six-monthly student loan statement and newsletter.

7 November

Student loans

The second student loan instalment is due. This applies to borrowers who earn over the threshold, who are self-employed or earn income with no student loan repayments included. It also applies to salary and wage earners who have residual payments over \$1,000.

newzealand.govt.nz

Community Wise comments generally on topical tax issues relevant to the community. Every attempt is made to ensure the law is correctly interpreted, but articles are intended as a brief overview only. The examples provided are not intended to cover every possible factual situation.

Email: communitywise@ird.govt.nz



www.ird.govt.nz