

## New facility – “breaking news”

There are occasions when we need to provide information to you urgently. Some recent examples include the misprint of the due date on FBT returns and the unavailability of the INFOexpress faxback facility and call centre technology.

We recognise that our traditional means of communication can be relatively slow in getting essential information to you. Information contained in letters, press releases and *AGENTSanswers* can often take time to reach you. When it does, often the urgency has evaporated but a great deal of inconvenience has been experienced.

To meet this need, we are developing an email facility to be used when urgent issues arise.

If your office would like to receive these “breaking news” updates, please send the email addresses of all staff who need this information to [tax.agent@ird.govt.nz](mailto:tax.agent@ird.govt.nz). To ensure the relevant staff receive this information we will not be using any existing email addresses that we hold. A database will be created for this purpose.

Please be assured that you will not be inundated with emails from us. We will only use this database in exceptional circumstances. Also please note that this service will not replace our existing communication media.

## How do you feel about our changes?

Inland Revenue is currently evaluating how well tax simplification changes have achieved what we set out to do, that is, simplify tax for salary and wage earners and make PAYE easier for employers.

In order to give us a complete picture and to better understand how simplification has affected agents, a phone survey of tax agents is planned for mid-June 2001. The survey will be arranged for a time and date convenient to the tax agent and will take 10–15 minutes. We'll be asking tax agents for your views on the changes. The results will provide an important perspective on the effects the changes have had on both agents and clients.

If you are selected, we encourage you to please make some time available for participation. A good response rate will ensure that tax agents' views on the changes are well represented.

About 400 agents will be randomly selected from our national tax agents list. We will pass on to the research company the names and phone numbers of those selected. If you are selected you will receive a letter from the Commissioner encouraging you to participate in the survey. Answers will be treated in the strictest confidence and we will not receive any information that could identify individual tax agents or any replies. ACNielsen (NZ) Limited will carry out the survey.

## Disappointing filing percentages

As at 4 May 2001, clients of agents had over 100,000 returns outstanding for the 2000 income year.

The overall percentage of returns filed has dropped below 90% as at 31 March and is a particularly disappointing result, especially for those tax agents who E-File, achieving only 86% of their target.

Tax agents have said that many of them have not been able to recruit sufficient staff to enable them to prepare all their clients' returns. Also, tax simplification last year caused many changes to processes and timeframes for receiving information and this caused delays in filing returns. Interim filing targets were adjusted to reflect this. Even with these issues 40% of tax agents filed 95% of their clients' returns. This includes 18% of tax agents who achieved 100%.

The extension of time (EOT) agreement allows Inland Revenue to remove the EOT for any tax agent who, in two consecutive years, files less than 60% of their client's returns. This year there are 56 tax agents in this category.

Tax agents who have filed less than 70% of their clients' returns will shortly receive a letter that will tell them their performance is unacceptable and it will be closely monitored. If their performance does not improve, their EOT will be removed after 31 March next year.

### 2002 EOT agreement

The following should be noted for this year:

- Interim percentages remain the same as last year.
- Tax agents whose business does not suit the target percentages are encouraged to negotiate new percentages with their Agent Account Manager.
- The filing performance percentage for which tax agents will lose their EOT has changed from less than 60% to less than 70% for two consecutive years.
- Group companies will be covered by the EOT agreement.

The agreement is available on Inland Revenue's website at [www.ird.govt.nz/business/tax\\_agents/index.htm](http://www.ird.govt.nz/business/tax_agents/index.htm) and on the Institute of Chartered Accountants of New Zealand website at [www.icanz.co.nz/tax](http://www.icanz.co.nz/tax) under “other”. This publication is not available in paper copy.



## Error in qualifying companies booklet

The *Qualifying companies (IR 435)* booklet dated February 2001 contains an error. It involves the withdrawal of the statement published in *Tax Information Bulletin (TIB)* Vol 4, No 8 (April 1993) that qualifying company election tax (QCET) should be credited to the company's imputation credit account (ICA).

The payment of QCET does not give rise to a credit in the ICA. This amended statement was published in *TIB* Vol 11, No 5 (May/June 1999).

Unfortunately, reference to the withdrawn policy was not removed from the qualifying companies booklet and this has caused some confusion. The error is located on page 32, second paragraph, last sentence and incorrectly states "QCET should also be credited to the ICA". The correct policy is reflected in the last bullet point on page 39, which states "payment of QCET does not give rise to a credit in the ICA".

We have advised our call centres and updated the IR 435 on our website. You can view the updated guide at [www.ird.govt.nz/resource/publicat/index.htm](http://www.ird.govt.nz/resource/publicat/index.htm) under "Company and international issues".

We sincerely apologise for any confusion this has caused.

## Phone numbers on correspondence

Tax agents have expressed some concern with not being able to contact the writers of correspondence sent by Inland Revenue.

Because of the centralisation of our telephone services the majority of manually issued letters now have 0800 numbers as the main telephone reference. Where appropriate, letters also have provision for the sending officer to put in either a direct dial number or an extension number in addition to the main contact number.

All letters manually typed and mailed out from local sites (that is, letters not automatically generated through Inland Revenue's FIRST system) are required to have the writer's telephone contact details (direct dial number or extension number) contained within them.

All local sites have quality control processes in place, which are designed to ensure outbound mail meets the expected quality standards.

Additionally, all service centre managers have reminded service centre staff to put telephone contact details in outbound correspondence where appropriate, particularly if such correspondence is likely to generate a need for further contact.

## Update for salary and wage clients

### Personal Tax Summaries

This is the second year Personal Tax Summaries (PTSs) will be issued.

Key information:

- PTSs for clients who need a "catch up" will be delivered to you progressively from 13 June to 30 June.
- Clients who do not get a PTS automatically have probably paid the correct amount of tax. But if they would like a square-up, a PTS may be requested from July onwards.
- For those clients who need to request a PTS, you can get one using INFOexpress. The phone number to ring is 0800 456 678. Full instructions were provided in the April 2001 issue of *AGENTSanswers*.
- You can also use INFOexpress to confirm the details for those clients who have a tax refund of over \$50.

For many salary and wage clients, there appears to be a level of confusion regarding what they believe they should or should not do to meet their tax obligations. A household flyer—"A friendly reminder from Inland Revenue"—was issued to every household from Monday 30 April 2001. This flyer reaffirms key information.

### Summary of earnings

We began sending out summaries of earnings for IR 3 customers in mid-May. These are also available through INFOexpress.

### Due date for rebate claims

Just an early reminder that any rebate claims for donations, housekeeper or childcare for clients with a March balance date are due by 30 September 2001.

## Feedback on INFOexpress

In the May 2001 issue of *AGENTSanswers* we mentioned that a modification was being made to the date that was being shown on the transaction detail fax. The modification has been implemented and the date shown on the fax will be the effective date of the transaction.

### 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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