

Guidelines for obtaining an authority to act

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

To link a client a tax agent must have a signed and dated authority from the client allowing the agent to access tax information held by Inland Revenue. (Refer to the *Client linking or delinking (IR 795)* form.)

If you choose to obtain an electronic authority to act, you must follow the guidelines set out in "Process for tax agents to obtain electronic authorities to act" published in the *Tax Information Bulletin* Vol 23, No 9 (November 2011) and on our website at www.ird.govt.nz/technical-tax/general-articles

A client authority to act

The client authority to act must:

- contain the words "obtain information from Inland Revenue" concerning their tax affairs
- provide authorisation for the tax agency, not a specific person or partner
- not be limited to specified tax types (unless requested by the client)
- clearly state how personal tax information is obtained from Inland Revenue, ie by phone, internet, fax or e-services
- give authority for credits to be credited to the tax agent's trust account.

If the agency is to sign the tax returns on behalf of the client there must be specific written authority in the letter of engagement.

If a client has been de-linked for any reason a new authority to act must be obtained when re-engaging/re-linking.

The following example shows the information that must be on an authority to act to meet legal requirements.

Note: This authority doesn't apply to child support information, for which a separate authority is required.

Authority to Act

I/we give authority to
(name of the tax agent or agency)

to act on my/our behalf for all tax types until further notice.

Authority is given to obtain information from Inland Revenue and other financial institutions to enable my tax returns to be completed. This includes obtaining information via online services available on Inland Revenue's website.

Name

IRD number

Signature

Date

Guidelines for election not to depreciate an asset

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Election not to depreciate an asset is covered under section EE 8 or section EE 8 (4) of the Income Tax Act 2007.

Please include the following information when you file your client's income tax return along with any other information you think may be relevant:

- **IRD number**
- **Name**
- **Current address**
- **Description of the asset**
- **Address (if a building)**
- **Income year for election**
- **Purchase or acquisition date.**

You need to tell us whether the asset:

- **is newly acquired**
- **has changed use**
- **is being retrospectively depreciated or not.**

Guidelines for determining residency status

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

To determine residency status for tax purposes, please include the following information and any other information you think may be relevant in your correspondence:

- **General**
 - IRD number
 - Name
 - Current address
- **Travel details**
 - Date of departure
 - Purpose of trip
 - Client's intentions: Permanent/temporary
 - Return to New Zealand date
- **Situation details**
 - Accommodation: Client owns/leases property
 - List assets held in New Zealand
 - Economic ties to New Zealand: Bank accounts/credit cards/investments/insurance policies/superannuation schemes
 - Employment: Employed by New Zealand employer/New Zealand employment on return
 - Sources of New Zealand income while overseas
 - Do they have a spouse/partner? If yes, will they be accompanying them overseas?
 - Do they have any dependant children? If yes, will they be accompanying them overseas?
 - Social or professional club memberships?
 - List other factors that may affect residency status.

Guidelines for voluntary strike-off requests

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Write to Inland Revenue, PO Box 39050, Wellington Mail Centre, Lower Hutt 5045 for confirmation that we have no objections to your application for voluntary strike-off. Please include the following information and any other information you think may be relevant in your correspondence:

- **IRD number**
- **Name**
- **Current address**
- **Date the company intends to wind up**
- **Reason for winding up**
- **Year of final return**
- **Date final return filed**
- **Details of assets and what will happen to them**
- **Detail assets distributed to shareholders/directors for less than market value** (including debt forgiveness)
- **Actions towards outstanding returns or debt**
- **Contact person for future matters.**

If the company has assets and/or liabilities attach a copy of the latest balance sheet.

Note: Credits held are refunded or transferred before the strike off action is finalised, or retained by the Crown.

Guidelines for request for change of balance date

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Applications for a non-standard balance date come under section 38 of the Tax Administration Act 1994. Please refer to Standard Practice Statement SPS (08/04): *Elections to change a balance date* published in TIB Vol 21, No 1 (February 2009) for further details on the procedure for requests.

Simple elections to change a balance date may be made by telephone or in writing, advising the following along with any other information you think is relevant to your request:

- **IRD number(s), if for more than one taxpayer, for example partnership & partners, please list each taxpayer**
- **Full name(s)**
- **Current address**
- **Details of reasons for election to change balance date**
- **List associated entities balance dates** (if applicable).

More complex requests must be in writing. Examples of complex requests include the following:

- **a taxpayer wants a different balance date they consider better fits the circumstances of their business activity**
- **a taxpayer wants to align a balance date with another business**
- **a managed fund wants to adopt a balance date common with a fund manager or trustee.**

Please refer to the standard practice statement for details on what further information may be required.

Guidelines for livestock election

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

A notice of election is made under section EC11(4) of the Income Tax Act 2007.

Please include the following information and any other relevant information in your correspondence:

- **IRD number**
- **Name**
- **Current address**
- **Income year in which the election is first to apply**
- **Type, class or other description of the applicable livestock**
- **Existing and proposed methods of valuing the applicable livestock.**

If the election is to use a herd value ratio or recalculated herd value ratio under section EC17 of the Income Tax Act 2007, the following information is required:

- **Value assessed under section EC17(4) of an average animal of each applicable class of livestock**
- **Date valuation of each animal was made**
- **Name and address of the valuer.**

Guidelines for application to use buyer-created invoices

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Application to use buyer-created invoices under section 24(2) of the GST Act 1985 requires prior approval by the Commissioner. The proposed invoice must include:

- **Supplier's GST registration number, if both parties are providing supplies then both numbers are required**
- **Supplier's name**
- **Current address**
- **15% GST added to gross supply**
- **15% GST added to deductions or charges (GST credits)**
- **The words "buyer-created tax invoice – IRD approved" clearly shown in a prominent place (section 24(2)(d) of the GST Act 1985)**
- **Name and registration number of the supplier**
- **Name and address of the recipient**
- **Date upon which the tax invoice is issued**
- **Description of the goods and services supplied**
- **Quantity or volume of the goods and services supplied**
- **Either the total amount of the tax charged, the consideration, excluding tax, and the consideration, inclusive of tax for the supply; or where the amount of tax charged is the tax fraction of the consideration, the consideration for the supply and a statement that it includes a charge in respect of the tax.**

Guidelines for payments to a spouse, civil union partner, or de facto partner

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Application for approval of a deduction for wages paid to a spouse, civil union partner or de facto partner are made under sections DB57 and DC5 of the Income Tax Act 2007.

Please include the following information and any other relevant information in your correspondence:

- **Personal details**
 - IRD number
 - Name
 - Current address
 - Full name of spouse/partner
 - IRD number of spouse/partner
- **Payment details**
 - Nature of the business
 - Detail duties performed
 - Hourly rate and/or amount of wages paid
 - Number of hours worked per week/per year
 - Method of payment
 - Frequency of payment
 - Details of other workers employed and wages paid
- **Additional information required for retrospective deductions:**
 - Frequency of payments made
 - How have the schedular payments been accounted for?
 - Have these been claimed as a deduction in previous years?

Guidelines for remission of penalty request

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Requests for remission of penalties are made under section 183A and 183D of the Tax Administration Act 1994.

Please include the following information and any other information you think is relevant in your correspondence:

- **IRD number**
- **Name**
- **Current address**
- **Tax type and period**
- **The reason why payment not made or received in time**
- **The reason why the return was filed late**
- **Details of steps taken to prevent future occurrence.**

Note: A late filing penalty will not be remitted if the client was granted an extension of time arrangement after the late filing penalty was imposed.

Any penalties relating to late provisional tax payments will not calculate until the return is filed. Remission will not be considered if the core tax hasn't been paid or the return is still outstanding.

Guidelines for request to set up an instalment arrangement

These guidelines outline the information required to help us consider your request as quickly as possible. The guidelines do not override any legislation, standard practice statements, publications or forms that have been released. Where there are standard practice statements, publications or forms, they must be followed.

Refer to Standard Practice Statement SPS 11/01: *Instalment arrangements for payment of tax debt* published in TIB Vol 23, No 2 (March 2011) for further details on the procedure for requests.

Please include the following information and any other relevant information in your correspondence:

- **IRD number**
- **Name**
- **Current address**
- **Tax type and period(s)**
- **Total amount of debt** (due to interest charges calculated on a daily basis the debt balance may have changed by the time this offer is received by us)
- **Frequency of proposed arrangement:**
 - monthly
 - fortnightly
 - weekly
- **Amount of proposed payment** (this should be the maximum that can be paid per the frequency nominated).
- **Date of first payment**
- **Payment method:**
 - internet
 - automatic payment
 - cheque
- **Offset future credits to arrears?**
 - yes
 - no.