



GST and provisional tax alignment –

Temporary rules for changing balance dates

From the start of the 2008–09 income year, customers who are registered for GST and liable for provisional tax are required to have their GST return periods aligned to their income tax balance dates. In the months provisional tax is payable the due date for provisional tax will be the same time as GST.

This may concentrate tax agents' workloads at certain times during the year. To help you to spread out your workloads more evenly, you can apply to move your clients' income tax balance dates (and therefore their GST filing periods) backward or forward by one month. However, you can't do this if it results in a significant deferral of revenue between income years.

You can apply anytime from now until the end of your clients' 2007–08 income year.

To request a change to your clients' balance dates, you'll need to have their permission and meet one of two requirements—detailed below. You'll need to apply in writing. The information you need to send us depends on the requirement you fall under.

Requirement One – Number of clients affected

You'll qualify for this requirement if you need to align the GST filing periods to the balance dates of 5% or more of the total number of your clients that you complete GST returns for.

You'll need to provide us with:

- the total number of your clients that you complete GST returns for who need to align their GST filing periods to their balance date
- the total number of your clients that you complete GST returns for.

Requirement Two – Workload of agent

If you don't qualify under requirement one you may qualify if you spend 5% or more of your time completing GST returns for your clients who need to align their GST taxable periods with their balance dates.

You'll need to provide us with:

- the approximate number of hours you work on GST returns annually for all of your clients who are required to align their GST filing periods with their balance dates
- the approximate number of hours you work on completing GST returns annually for all of your clients.

Please note that the above criteria can be taken at the date of application or for the previous 12-month period.

Other circumstances

If you don't quite meet the requirements outlined above, you can still apply in writing to change your clients' balance dates. If you outline your circumstances we will consider this information and you may still qualify.

In all cases you also need to provide us with:

- confirmation that the alignment of the GST and provisional tax payment due dates will impact on your workload
- a list of your clients who require a change of balance date and the balance date requested.

Our *Tax Information Bulletin* Vol 18, No 5 (June 2006) contains more about the alignment of GST and provisional tax. The requirements listed in this article replace those listed under tax agent workload in the article.

If you'd like to apply for a change in your clients' balance dates, please write to us with your request and the information outlined above.

2007 extension of time (EOT) agreement

The 2007 agreement will be available through:

- extension of time arrangements for 2007 returns at www.ird.govt.nz/taxagents/extension-arrangement/
- the New Zealand Institute of Chartered Accountants (NZICA) website
- a pdf version from our website.

Key dates and filing percentages are:

Standard targets are:

40%	by	14 September 2007
60%	by	16 November 2007
80%	by	15 February 2008
100%	by	31 March 2008

E-File tax agent targets are:

37.5%	by	14 September 2007
57.5%	by	16 November 2007
78.5%	by	15 February 2008
100%	by	31 March 2008

Late balance date targets are:

20%	by	14 September 2007
50%	by	16 November 2007
75%	by	15 February 2008
100%	by	31 March 2008

Please note:

- If your business does not suit the targets above, please negotiate new percentages with your agent account manager.
- You may lose your EOT if your filing performance percentage is less than 80% for two consecutive years.



GST – voluntary registrants

Do you have clients with an annual turnover of \$40,000 or less who are voluntarily registered for GST and are having difficulties meeting their obligations? De-registering these businesses could save them time, effort and money.

Some voluntarily registered businesses are filing nil returns continually.

It may be worthwhile considering the de-registration of any of your clients who are in this situation. Once the business no longer has to add GST to its prices, it may become more competitive in the marketplace.

If you'd like to de-register a client, give us a call. We can do it over the phone.

If your client's situation changes, you can easily re-register them at www.ird.govt.nz/taxagents/online-services/registrations/online-gst-registration.html

Accounting for KiwiSaver

KiwiSaver is starting on 1 July 2007 so your clients will soon start asking you about their KiwiSaver obligations as employers. You and your clients who are registered as employers will soon receive a copy of the *KiwiSaver employer guide (KS 4)*.

The guide provides a "how-to" on KiwiSaver and outlines employers' KiwiSaver obligations. It:

- provides practical information on how KiwiSaver works
- tells them about their obligations
- discusses the implications for existing superannuation schemes
- stresses the importance of not providing financial advice to their employees
- tells employers to give their staff the *KiwiSaver employee information pack (KS 3)* which will be available in June.

If you or your clients require extra copies of the KS 4 or any of the KiwiSaver forms, you can download these from www.ird.govt.nz or call INFOexpress on 0800 257 777.

Employers can find more information about KiwiSaver at www.ird.govt.nz/kiwisaver/employers/

Potential KiwiSaver members will find more information at www.kiwisaver.govt.nz

Note from the editor

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