



Season's greetings

As this is the last edition of *AGENTSanswers* for 2004, I would like to thank all of you who have provided us with feedback and suggestions throughout the past 12 months. We have used your feedback to improve and develop products to make it easier for you to interact with us. Some of the highlights of the past 12 months have been:

- Further enhancements to our Look at Account Information service
- Adding Natural Language Speech technology (SPK2IR) to INFOexpress to make it easier for you to request forms
- Filing GST returns through E-File
- Redesign of TAMS reports to make them easier to read
- Internet filing of IR 4 returns.

I would like to wish you and your families a safe and happy break and look forward to working with you all again next year.

Kathleen Clement
Manager
Delivery Planning and Initiation



Tax Agent Strategic Project – progress update

Tax agent definition

In the October issue of *AGENTSanswers* we requested your comments on a proposed definition of tax agent.

The response from around the country was tremendous and we would like to express our thanks to everyone for taking the time to submit their thoughts. Our response to the submissions will be made available to everyone shortly.

Where to next?

The reviewed tax agent definition is now being drafted and we will include it in the next appropriate Bill. We have begun to investigate how we will implement this new definition and also how we will target our service and compliance processes to recognise the value of compliant and high-performing tax agents. You will hear more from us as this work progresses.

You can email any comments or feedback you have about the Tax Agent Strategic Project to us at tax.agent@ird.govt.nz or by talking to your agent account manager.

Views sought on imputation

In line with Inland Revenue's strategy of streamlining our processes to make it easier for taxpayers to meet their obligations, we want to identify any issues with the imputation scheme to determine if a review is required.

The imputation scheme has applied from the 1989 income year onwards. The objective of the scheme is to tax, as far as possible, income derived through companies at the tax rates of their shareholders and is a mechanism for the relief of double taxation of corporate profits.

We invite you to put forward your concerns, comments and suggestions about the imputation scheme so these can be considered. We also want to understand the difficulties and costs to companies and their tax agents in complying with the imputation rules and any ideas you have to reduce these.

Feedback on both operational and policy issues are welcomed and can be sent to:

The Editor, *AGENTSanswers*
Inland Revenue
PO Box 2198
Wellington

Or email agents.answers@ird.govt.nz

It would be appreciated if your feedback could be sent by 5 January 2005.



Changes to the paid parental leave scheme from 1 December 2004

Some changes have been made to paid parental leave entitlements that came into effect from 1 December 2004.

The key changes affecting entitlements are:

- A new entitlement to parental leave and paid parental leave payments for employees who have worked for the same employer for the immediately preceding six months before the expected date of delivery or adoption of a child and have worked an average of 10 hours per week (including at least one hour in every week or at least 40 hours in every month).
- An increase in the duration of parental leave payments for all eligible employees from 12 to 13 weeks from 1 December 2004. This will be extended to 14 weeks from 1 December 2005.
- Teachers employed by more than one board of trustees who work in more than one state school or integrated school, and eligible junior doctors employed by more than one district health board (DHB) consecutively, will be entitled to count certain multiple employments as a single employment in determining eligibility.

These changes apply to employees whose child is **due, born or adopted on or after 1 December 2004**.

Note: Parental leave entitlements vary for employees who have worked for the same employer for between six and twelve months or who have worked for 12 months or more.

For more information about the changes, please visit www.ers.dol.govt.nz or contact the Department of Labour on 0800 800 863.

GST on fringe benefits

If your clients are registered for both GST and FBT you may need to make an adjustment for GST in their FBT return for any fringe benefits they have provided.

Example

If an employee has private use of a company car during the FBT quarter ending 31 December 2004, you have to show the GST on that fringe benefit in box 7 of the *Fringe benefit tax quarterly return (IR 420)* for that period. This GST adjustment is payable to Inland Revenue with your FBT for that period.

No further adjustments are required in the GST return as the GST content of the company car would have been claimed at the time of purchase.

Tax agents' CD Rom questionnaire results

Once again, thank you for completing and returning the tax agents CD Rom questionnaire, the results from these assist in the planning and development of the next version.

It is clear from the responses that the CD Rom is still a popular product because the current structure of our website (relating to tax agents) is a barrier to using the internet. We hope you will find the enhanced new-look website useful in providing the information that currently you use the CD Rom for. Over time we plan to transfer the information and services the CD Rom provides to the internet.

The 2005 version of the Tax Agents' CD Rom will be available from April 2005.

SME compliance costs – we want your help with the survey

If you receive a one-page questionnaire as part of the tax compliance cost survey, we urge you to complete it and return it to Colmar Brunton, the research firm carrying out the research on our behalf.

Approximately 500 businesses gave Colmar Brunton permission to approach their tax agent for additional information. The purpose of the questionnaire is to allocate the cost to your client of using an agent for different revenues. With this information, we will be able to better evaluate the effectiveness of our proposed simplification initiatives.

All responses will be treated as strictly confidential and only anonymous information will be passed back to Inland Revenue. Your client will not have access to your individual reply.

The questionnaires are being posted out on 29 November 2004 for return by 14 December 2004. If you do have any questions about this survey, you can either call Colmar Brunton on 0508 265 627 (and ask to speak to someone on the tax research team), or Inland Revenue on 0800 833 445 (this is a special line set up to answer questions about this survey).



Inland Revenue services over the Christmas and New Year break

Inland Revenue services will be available as follows:

E-File

Please note that the E-File system, and the E-File helpdesk will be unavailable from midday 24 December 2004 to 8am 5 January 2005. You will not be able to use the E-File facility during this period as annual maintenance will be taking place.

AMBR 1006 weekly activity reports

The last weekly activity reports to be issued before Christmas will be for the week ending 17 December 2004.

The next weekly activity report will be issued on Wednesday 5 January 2005. This report will include any activity between 18 December 2004 and 24 December 2004.

Another report will be issued on Friday 7 January 2005. This report will include any activity between 25 December 2004 and 7 January 2005.

Call centre hours

Friday 24 December	8am–8pm
Saturday 25 December	Closed
Monday 27 December	Closed
Tuesday 28 December	Closed
Wednesday 29 December	8.30am–5pm
Thursday 30 December	8.30am–5pm
Friday 31 December	8.30am–5pm
Saturday 1 January	Closed
Monday 3 January	Closed
Tuesday 4 January	Closed
Wednesday 5 January	8am–8pm

Our normal hours of service (8am to 8pm weekdays and 9am to 1pm Saturdays) resume from 5 January 2005.

Note: The Child Support enquiry line (0800 220 222) will close at 4.30pm on 24 December and re-opens on 5 January 2005.

INFOexpress availability

Friday 24 December	Normal hours*
Saturday 25 December	Not available
Sunday 26 December	Not available
Monday 27 December	Not available
Tuesday 28 December	Not available
Wednesday 29 December	Normal hours
Thursday 30 December	Normal hours
Friday 31 December	Normal hours
Saturday 1 January	Normal hours
Sunday 2 January	Normal hours
Monday 3 January	Normal hours
Tuesday 4 January	Normal hours
Wednesday 5 January	Normal hours

*INFOexpress provides an automated response from 6am to 12 midnight and accepts messages from midnight to 6am 7 days a week.

As other Inland Revenue systems that are used by INFOexpress will be unavailable during this period, there will be a delay in sending your requested items, for example stationery or tax returns.

Faxbacks, which detail client information, will be available on the same dates as INFOexpress.

Statement and refund issuing

The last day of issuing statements, refunds etc prior to Christmas is 17 December 2004. This service will recommence on 5 January 2005.

Internet

As other Inland Revenue systems that are used by the internet will be unavailable from 24 December 2004 to 5 January 2005, there will be a delay in sending your requested items, or processing any requests.



www.ird.govt.nz

We are launching a new-look website which has been created to provide you with a better online experience. The search engine has been improved as a result of feedback supplied by users.

You will find all the services you need in one area designed especially for tax agents:

- **Get it done online** – access to services where you can:
 - file tax returns
 - register to use the Look at Account Information Service, and
 - make payments
- **Forms and guides** – all forms and guides are clearly categorised for quick and easy access
- **Work it out** – access to all of our online calculators and worksheets.

We have also included newsletters and bulletins, information about working with clients and with us, and much more information specific to your needs.

You can now move backwards and forwards throughout the site without losing your place. From the homepage you can quickly access information based on your needs. Quick and easy answers to all your common Inland Revenue queries are another feature of the homepage as are reminders of due dates, news and promotional items.

A preview of the new site will be available mid-December 2004. The current and new site will run in parallel until late January 2005 when the current site will cease to exist. All links from the CD Rom will be redirected to the new site.

Next time you visit www.ird.govt.nz click on the link to the new site and let us know what you think. Please send your comments, feedback and suggestions to content.manager@ird.govt.nz

Remember, that although you can continue to request information through the internet over the Christmas break, there will be a delay in receiving the information as the other systems used may not be available.

E-Filing through the internet

As we've advised you in previous editions of *AGENTSanswers*, the PACNET option of E-Filing was turned off on 1 November 2004.

If you are not currently E-Filing using the internet option, please contact your software provider for assistance.

All Inland Revenue certified software providers' packages allow you to securely E-File returns over the internet.

Reminders

- When E-Filing correspondence that relates to a return, please ensure we have also received the return. Recently, we have received letters relating to a return that is not yet filed so we are therefore unable to action them.
- We have also had instances where a transfer request to an associated person has been missed and the refund issued. So that your transfer request is actioned, please ensure the keypoint for associated persons is completed correctly.
- When you have ceased acting for a client please complete the *Ceasing a client's registration (IR 794)* form so that we can update our system. Alternatively, please write on the final return or the *Business cessation (IR 315)* form that you would like the client delinked.

Note from the editor

If your mailing details are incorrect, we have missed someone off the distribution list or you have suggestions for future topics, please contact:

The Editor
AGENTSanswers
Inland Revenue
PO Box 2198
Wellington

Email: agents.answers@ird.govt.nz

AGENTSanswers is also on our website:
www.ird.govt.nz/library/newsletters/aanswers/