

BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



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REMINDERS

We have several planning calendars to help you meet your obligations. Remember that if a due date falls on a weekend or public holiday, we can receive your return and payment on the next working day without a penalty being applied. But for provincial anniversary dates, this only applies if you're in the province celebrating the holiday, and only if you usually make tax payments over-the-counter at Westpac.

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

Research and development credits timing

If you're entitled to either a Research and development loss tax credit and/or a Research and Development Tax Incentive (RDTI) credit, here's when you can expect to receive them.

Research and development loss tax credit

The most efficient way to receive your credit is to include your claim with your tax return. This process usually takes up to 2 weeks.

To find out about claiming go to ird.govt.nz/research-and-development/loss-tax-credit/claiming

Research and Development Tax Incentive (RDTI)

File your R&D supplementary return to claim your credit. It must be filed within 30 days of the due date for your income tax return. In some cases the RDTI credit may be refundable. This process will take up to 8 weeks assuming the required information is presented up front and in the right format. Assessment of claims is complex and is managed across Inland Revenue and Callaghan Innovation.

To find out about claiming go to ird.govt.nz/research-and-development/tax-incentive/claiming/claim-tax-credits

Changes to the in-work tax credit

From 1 July, the in-work tax credit is available to eligible families who are not receiving an income-tested benefit or student allowance and have some income from paid work each week. Up until 30 June sole parents had to work a minimum of 20 hours a week, and couples a minimum of 30 hours a week between them, to be eligible for the in-work tax credit payment. Now the requirement for a minimum number of hours has been removed.

The in-work tax credit is a payment of up to \$72.50 per week (\$3,770 per year) to working families for the first 3 children and up to \$15 extra a week for each additional child.

If a family is already receiving Working for Families payments and is entitled to the in-work tax credit from 1 July, they do not need to do anything. We will pay the in-work tax credit automatically and they'll receive a notice in July showing how much they'll get and when the payment will be made.

Families not currently receiving Working for Families payments, including the in-work tax credit, can check eligibility and apply on our website or by calling us on 0800 227 773.

Families already receiving in-work tax credit payments don't need to do anything other than keep their family income and circumstances up-to-date in order to keep receiving these payments.

Please share this information with your staff if you think they might benefit from the change.

Visit ird.govt.nz/in-work for more information about Working for Families and In-work tax credit payments.

COVID-19 webinar

We have a number of initiatives in place to help businesses and organisations deal with the effects of COVID-19. You can find out more about these in our new webinar covering:

- Temporary loss carry-back scheme
- Small business cash-flow (loan) scheme
- Other relief available
- Filing requirements
- Information for employers
- How to keep up to date

You can view the webinar on demand at ird.govt.nz/webinars