

# 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](mailto:BusinessTax.Update@ird.govt.nz)

## Tax relief - COVID-19 Coronavirus

Tax relief and income assistance is available to people affected by the downturn in business due to the COVID-19 Coronavirus.

We have a range of ways to help depending on your circumstances. If you have a tax agent please work with them about what you need to do.

For information on the tax relief that is available visit: [ird.govt.nz/Updates/News-Folder/tax-relief-coronavirus](https://ird.govt.nz/Updates/News-Folder/tax-relief-coronavirus)

## Key services unavailable over Easter

For a few days in April over the Easter break we'll be making system changes to make tax more straightforward. At this time, myIR will be unavailable and our offices and phone lines will be closed.

We'll update you with exact dates and times in the next newsletter and on our website closer to the time.

## Employer and not-for-profit webinars

The final webinar for employers and not-for-profit organisations will take place on 18 March 2020 from 2:30pm – 3:30pm. It's the last session in this series and focuses on helping you prepare for upcoming changes.

The session will cover what's changing for employers, myIR, payments income equalisation, student loans, KiwiSaver.

We'll also share details around shut down dates and where you can get support.

Visit [www.ird.govt.nz/webinars](https://www.ird.govt.nz/webinars) to register, or watch previous webinars on demand.

Thank you to those who participated in previous sessions. We have published the questions and answers from recent webinars on our website, as well as copies of webinar presentations completed to date.

## Employer seminars across the country

Are you ready for the changes coming in release 4 of our Business Transformation journey?

We will be holding employer seminars across the country from 23 March to 3 April.

You can register at [www.ird.govt.nz/employer-seminars](https://www.ird.govt.nz/employer-seminars)

## Tax technical beta site available in March

As part of our work to build a new and improved Tax Technical website, we're making a beta, or test version available ahead of the first published release. We're planning to make the beta site available in late March, accessible via the existing Tax Technical section of the Inland Revenue website.

We're keen to get your thoughts and feedback on the new look and feel, features and layout of the Tax Technical site and we encourage you to visit the beta version when it's available.

You will be able to provide comments while on the site using the feedback button on each beta page. Feedback we receive during this time will help us to improve the site before the first release.

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## RWT exemption register

We have introduced a new online RWT exemption register listing the IRD numbers of all customers who are exempt from having RWT deducted from the interest and dividends they receive.

Currently we issue successful applicants with a certificate of exemption from RWT. This process will remain in place until 31 March 2020.

From 1 April, payers of investment income (eg payers of interest and dividends) will access the register to confirm which of their customers have RWT exempt status. They will no longer ask for or accept physical certificates of exemption.

The register:

- is automatically populated by Inland Revenue
- identifies customers only by their IRD number
- can be searched by exemption status, IRD number and when the information was last updated
- is updated overnight every business day (Monday to Friday) – so it provides near real time information.

Payers can use the register now to verify if a customer has an exemption, or to check the exemption status (e.g. cancelled, revoked or end-dated (expired)). If a customer has an exemption under an Act that is not administered by Inland Revenue, they may need to apply to us to be included on the register.

If you are a charity registered with Charities Services you do not need to apply for RWT exempt status. We will automatically put you on the register.

A factsheet has been developed to help payers understand what the changes from 1 April 2020 will mean for them.

You can find out more and access the register and factsheet at [www.ird.govt.nz/rwt-exemption](http://www.ird.govt.nz/rwt-exemption)

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## Research and Development Tax Incentive – website

The Research and Development Tax Incentive (RDTI) supports Government's target to increase New Zealand's R&D expenditure to 2% of GDP by 2027.

In February a new RDTI website was introduced to help businesses understand the benefits of undertaking R&D and to encourage more businesses to invest in it. Designed for busy business decision-makers, the website features an easy-to-follow introductory guide to RDTI eligibility and a step-by-step overview of how to apply.

The RDTI is jointly administered by Inland Revenue and Callaghan Innovation. Information on the new website has been developed collaboratively by both agencies with support from MBIE.

Learn more at [www.rdti.govt.nz](http://www.rdti.govt.nz)

## Maintaining proper employment records is essential to your business (on behalf of MBIE)

To have a successful business, you should maintain complete and accurate employment records. Meeting your legal requirements will also help you to build your reputation as a good business with your employees and customers.

Your employment records must show:

- you've correctly given your employees all their minimum employment entitlements such as the minimum wage and annual holidays, and
- you have complied with the Employment Relations Act 2000 and the Holidays Act 2003.

You must keep all records for at least 7 years and be able to demonstrate your compliance to Labour Inspectors.

### Record keeping

Maintaining proper records helps to avoid non-compliance costs ranging from infringement notices to major financial penalties and serious reputation damage that could reduce the value of your business.

Ensure you know the payroll details you **must** cover, including:

- employment agreements
- the kind of work an employee does
- wages, and
- time sheets.

Also verify regularly that your payroll systems and processes (manual or computerised) record your employees' hours and pay accurately, and are current for latest employment law.

### More information

For information covering essential records, record templates, information guides and learning modules, visit [www.employment.govt.nz](http://www.employment.govt.nz) enter the search words "keeping accurate records".

On the site you can also subscribe for employment law updates via our newsletter. If you need personalised help with information call us on 0800 20 90 20.

Finally, for more support contact a professional advisor such as a lawyer, accountant or payroll provider.

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## Avoid penalties or interest

If you provide the wrong period date when paying tax it can take longer for your funds to go to the right place. This can lead to late payment penalties or interest.

The period date is not the due date or the date that you are paying us, it's the end date of the taxable period that you are paying for. If paying online, your bank might ask for the 'Period ending' date, or you may need to provide it in the 'Payee Code' field.

For example, GST for the taxable period ending 31 May is due to be paid by 28 June. So, your payee code information would be "GST 31052020".

