



Inland Revenue
Te Tari Taake

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Charitable and donee organisations

**A tax guide for charities, donee
organisations and other groups**

Introduction

Charitable organisations have several tax obligations.

If you're involved in administering or setting up a charitable trust, estate, society, association or any other type of charitable organisation, this guide will help you. However, this is only a general guide - for more specific issues, refer to other Inland Revenue publications (listed on page 43) or call us - see page 41.

Charities Services registers and monitors charitable organisations and provides education and support to the charitable sector. For more information go to page 10 or go to their website charities.govt.nz or call 0508 242 748.

In this guide

- **Part 1** helps you work out what taxes your organisation will have to deal with.
- **Part 2** explains the exemptions, so you can find out whether your organisation is exempt from income tax. It also tells you about the tax benefits available to people who donate money or property to your organisation.
- **Part 3** sets out different types of income and explains whether each is liable for income tax or GST (goods and services tax).
- **Part 4** deals with what happens when a charity is deregistered.
- **Part 5** Services Inland Revenue provides.

ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your user ID or password?

Request these online from the myIR login screen and we will send them to the email address we hold for you.

How to get our forms and guides

You can get copies of all our forms and guides by going to ird.govt.nz/forms-guides

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Terms we use

Arm's-length transaction

A deal made between non-related parties, who are not associated persons.

Associated persons

These are:

- people related by blood, adoption, marriage or de facto relationships
- companies with mainly the same shareholders
- a partner and a partnership
- trusts and their association with trustees, beneficiaries and settlors.

The association rules are complex and it is important that you seek professional advice if you think there is any possibility of an association applying to you.

Business

Any enterprise or activity intended to make a profit is classed as a business. If an organisation runs a business, it must pay tax on all profits after expenses (except certain transactions made with its members). However, if a charity runs a business, it may be exempt from income tax on any profits that it uses for charitable purposes within New Zealand - see page 23.

Charitable organisation or charity

This is an organisation (incorporated or not) that carries on charitable activities or exists exclusively for charitable purposes. Generally to obtain tax benefits, charities must be registered by the Charities Services.

Many organisations consider themselves charitable because of the work they do or because they're registered under the Charitable Trusts Act 1957. As a result, they may also think they're exempt from income tax. However, an organisation is generally only exempt from income tax if it's registered with Charities Services, or if registration with Charities Services is unavailable (for example, because the entity is a non-resident), has been granted an exemption from Inland Revenue. This exemption does not apply to GST or PAYE. The organisation must still account for these.

Charitable purposes

These include:

- the relief of poverty
- the advancement of education
- the advancement of religion
- activities for the benefit of the community.

An organisation's purposes must fall within one of these categories to be charitable. Its activities or aims must be for public purposes and the benefit must be available to a large section of the community. In addition, it must not be carried on for the benefit or profit of any individual. If the beneficiaries are limited by blood ties the charitable purpose can still be met in some circumstances.

Charitable purpose of marae

A marae has a charitable purpose if:

- the physical structure of the marae is on land that is a Māori reservation, and
- the funds of the marae are not used for a purpose other than the administration and maintenance of the land and of the physical structure of the marae or another charitable purpose.

Charities Services (previously known as the Charities Commission)

This is part of the Department of Internal Affairs and provides;

- a registration and monitoring system for charitable organisations,
- collection and processing of Annual Returns, and
- support and education to the charitable sector on good governance, and management practice.

Community housing entity

A trustee, or a company whose activities are mainly the provision of housing, who meet specific criteria and are registered under the Housing Restructuring and Tenancy Matters Act 1992. They may be a registered charity or alternatively contact Inland Revenue to confirm if they qualify under a specific income tax exemption for community housing entities.

Deregistration

There are certain tax implications that apply when an organisation ceases to be a registered charity.

For the purposes of this booklet, the deregistration rules outlined in part 4 apply to a charity that:

- has been removed from the Charities Register by Charities Services, or
- voluntarily deregisters, or
- no longer meets the criteria for the income tax exemption for business income under section CW 42 of the Income Tax Act 2007.

Donee organisation

This is an organisation Inland Revenue considers having met the requirements set out in the Income Tax Act 2007. Generally, a donee organisation is one which applies its funds wholly or mainly to charitable, benevolent, philanthropy or cultural purposes within New Zealand. Certain other organisations may also qualify, such as a school board of trustees, tertiary education institutes or community housing entities.

Individuals, companies and Māori authorities can get tax benefits by making gifts of money to a donee organisation - see page 25.

Donor

A person, company or other organisation that gives money or property to another.

Incorporated organisations

Organisations registered with the Companies Office of the Ministry of Economic Development are classed as incorporated organisations. For more information about becoming incorporated, see societies.govt.nz

Non-profit body or Not for Profit organisations

A non-profit body is any society, association or organisation (incorporated or not):

- that is not carried on for the profit or gain of any member, and
- whose rules do not allow money, property or any other benefit to be distributed to any of its members.

Organisation

This is a general term, which covers all types of societies, institutions, companies, estates, trusts, funds, whether or not they have a charitable nature or are considered tax-exempt.

Payroll giving

Payroll giving is a voluntary scheme where employees can make donations from their pay to support approved donee organisations. People who donate through payroll giving receive immediate tax credits relating to the donations they make each payday.

Registered charity

A trust, society or institution that is registered by Charities Services under the Charities Act.

This is not the same as trusts registered with the Ministry of Business Innovation & Employment under the Charitable Trust Act.

Residual income tax

Residual income tax is the amount payable for the year, after deducting any tax credits from income tax assessed, but before deducting any provisional tax paid.

Taxable activity

Any activity carried on continuously or regularly that supplies (or intends to supply) goods and services to others for some form of payment (but not necessarily for a profit) is a taxable activity. Businesses, trades and professions are all taxable activities. Charitable organisations of any type can carry on taxable activities.

Setting up a business is part of the taxable activity, as is the closing down and sale of a business.

Taxable activities do not include:

- employment as a salary or wage-earner
- hobby activities
- the occasional sale of domestic or private assets
- making GST-exempt supplies such as residential rent or financial services.

Turnover

Turnover is the total gross value of all goods and services supplied, excluding GST.

It includes:

- goods and services sold or provided in New Zealand
- exported goods
- grants or subsidies
- non-monetary items received under barter arrangements.

Turnover for GST purposes does not include:

- GST-exempt goods and services
- unconditional gifts received.

See page 15 for the treatment of assets.

Unconditional gift

An unconditional gift is a donation or payment made voluntarily to any non-profit body, where there's no identifiable direct benefit to the donor or the donor's family.

Some unconditional gifts can be:

- donations or koha
- money from door-to-door appeals and street collections
- bequests
- voluntary school fees (but not school activity fees).

Subscriptions, payments from trading activities and payments made by the Crown or a public authority are not unconditional gifts for GST purposes.

Charities Act

The Charities Act 2005 established a Charities Commission, now known as Charities Services, who provide:

- a registration and monitoring system for charitable organisations
- support and education for the charitable sector on good governance and management.

Charities Services has published A guide to the Charities Act, which you can download from charities.govt.nz or order a copy by calling 0508 242 748.

Charities Services also set up a Charities Register. Registration is voluntary but, unregistered charities are not eligible for tax exemptions on the grounds of charitable purposes.

Charitable organisations can apply for registration online at charities.govt.nz or by posting a completed application form, with a copy of their rules, to Charities Services. Send an officer certification form for each officer of the organisation.

You can get details about registration and copies of forms from Charities Services at charities.govt.nz or by calling 0508 242 748.

Part 1 – Basic tax information

Whatever type of charitable organisation you're setting up or running, you'll usually have some tax obligations. These may include:

- making several tax payments each year - some of these may be for your organisation's own tax liability, others may be on behalf of its employees
- filing various return forms each year - these may be for income tax, GST, PAYE and/or FBT
- calculating the profit from any business to work out how much tax is due - this is explained in our **Smart business - IR320** guide and there is also some information in Part 3 of this guide
- keeping certain business records - see page 20 for more information on this.

This part of the guide explains all these obligations and gives you other general tax information you need to know.

Income tax

Charitable organisations are liable for income tax if they are not within the meaning of a “tax charity”. To be a tax charity means the organisation is either:

- a registered charity, or
- a non-resident charity that has been approved by Inland Revenue, or
- a business that is carried on by, or for the benefit of a registered charity, for example a company which is fully owned by a tax charity. (From 1 April 2020 the business will need to be a registered charity itself to qualify)

A charitable organisation is not exempt for income tax on business income applied for charitable purposes outside New Zealand - see page 29.

Other benefits

The Income Tax Act 2007 contains specific income tax exemptions for charities. Some of these exemptions give benefits to charitable organisations and some give benefits to people, certain companies, or Māori authorities who make donations to such organisations. The "Tax benefits" section on page 23 of this guide gives more detail on these main conditions.

It also covers other benefits available such as exemption from:

- FBT (fringe benefit tax) on certain fringe benefits, and
- RWT (resident withholding tax) on interest and dividends.

The Tax benefits section also covers any criteria and limitations to these exemptions.

Your organisation may still be liable for other taxes, such as GST and PAYE.

If your organisation is not entitled to any tax exemptions, it will be liable for income tax on some types of income it earns. Part 3 of this guide will help you work out which types of income are taxable.

Income tax rates

If a charitable organisation is incorporated under the Incorporated Societies Act 1908 or Companies Act 1993, then it's considered to be a company for income tax purposes. If it does not qualify for a tax exemption, its income is taxed at the company rate.

Organisations that operate as trusts, including trusts incorporated under the Charitable Trusts Act 1957 and are not tax-exempt are liable for tax on trustee's income. Our guide **Trusts and estates income tax rules - IR288** gives you more information about this.

Charitable organisations not incorporated under a specific Act are treated as unincorporated charitable organisations. If such an organisation is not entitled to a tax exemption, it will be liable for income tax at the same rate as an individual taxpayer. However, it will not qualify for any of the tax credits that individual taxpayers can claim.

For more information on individual and PAYE rates go to ird.govt.nz/tax-rates

If a non-exempt organisation's residual income tax for a financial year is more than \$5,000, it may have to pay provisional tax for the following year. For more information on provisional tax, read our guide **Provisional tax - IR289**

Filing income tax returns

Generally, if your organisation is a tax charity, it's exempt from income tax. You do not need to file an income tax return unless we request one or you have income that is not covered by the exemption. You need to be registered by Charities Services to be eligible for an income tax exemption.

If your organisation is not a tax charity or is a tax charity but receives non-exempt income, it will be required to file a return. You must include a copy of the financial accounts with the tax return. You must include a copy of the financial accounts with the tax return. Instead of accounts, you can use our **Schedule of business income - IR3B** or **Rental income schedule - IR3R** form to work out the gross income and allowable deductions for these activities. We also provide an **Financial statements summary - IR10** form, which you can use instead of sending us a set of accounts. Using an IR10 will speed up the tax return processing time.

Companies must file an IR4 tax return, estates or trusts must file an IR6 tax return, and any other society or association must file an IR 9 tax return. If your organisation does not receive a taxpack, you can order one by calling our 0800 self-service numbers - see page 41.

If your organisation has a balance date between October and March, you must send your tax return to us by 7 July. For other approved balance dates (see page 21), send us the return by the seventh day of the fourth month after your balance date.

If a tax agent completes the return, we may extend the due date. This is because most tax agents have extensions of time for filing their clients' tax returns.

GST (goods and services tax)

GST is a tax on most goods and services in New Zealand. It's charged and accounted for by GST-registered businesses or organisations, known as taxable activities. They calculate the amount of GST they have charged and pay it to us. They can also claim back the GST they incur as part of their taxable activity.

To check the current GST rate go to ird.govt.nz/gst

Registering for GST

If your charitable organisation runs a taxable activity with an annual turnover (total income before expenses) of \$60,000 or more, it must register for GST. You must also register for GST if you think your organisation's turnover for the next 12 months will be over \$60,000. Registration is voluntary for organisations with turnover under this figure.

A taxable activity is any activity continuously or regularly carried on by your charitable organisation that supplies, or intends to supply, goods and services to someone else for a consideration – it does not have to be an activity carried on with the intention of making a profit.

To work out turnover, only include income liable for GST (including amounts which would be zero-rated). Do not include any income not liable for or exempt from GST. For example, include income from trading activities (both with members and non-members), subscriptions, grants and subsidies, but exclude income from donations, koha, bequests, residential rent, interest and dividends.

You can register for GST online through myIR secure online services. To register for a myIR account visit ird.govt.nz/myir

Registration of branches and divisions

Generally, if an organisation operates through separate branches or divisions, they may each register separately for GST. If the total turnover of all the branches or divisions is more than \$60,000 your organisation must register for GST.

Non-profit bodies (including charitable organisations) may apply to us in writing to treat each branch or division separately, and only register the individual branches with a turnover of more than \$60,000. However, branches with a turnover of less than \$60,000 may still register voluntarily.

To register separately, each branch or division must:

- have its own independent accounting system, and
- be separately identified by its location or by the different activities it undertakes.

Voluntary registration

The advantage of voluntary registration is that charitable organisations may get frequent refunds of GST. This may happen when a charity runs a taxable activity and receives income liable for GST, but also receives donations or koha (unconditional gifts), which are not liable for GST. The charity can claim a GST credit for most of its expenses, but it only pays GST on its taxable activity income.

However, charitable organisations need to be aware of the possible disadvantages of voluntary registration.

- The organisation must use GST invoices, retain records and file GST returns.
- When you stop your registration, you must pay GST on the open (current) market value of any business assets you keep for private use. If you acquired the asset before 1 October 1986, the adjustment would be the lesser of cost price and the open market value.
- Accounting for GST becomes difficult if non-liable income is involved, or if some assets are used for exempt purposes and others for business purposes.
- If someone within the organisation completes the GST returns, there may be problems if that person's services become unavailable and their experience is lost.

For more help

You'll find more information on registering branches and divisions separately, or on voluntary registration, in our **GST - do you need to register? - IR365** factsheet.

GST and assets

Generally, if you're registered, GST can be claimed on the purchase of a business asset or for expenses relating to that asset.

If you do claim GST on an asset or on expenses relating to that asset, you'll have to pay GST on the sale of the asset or equivalent event such as an insurance pay out.

For further information go to ird.govt.nz/gst

Employing staff

If your organisation employs staff, you must register with us as an employer. You can register online at ird.govt.nz/myir or complete an **Employer registration - IR334** form.

Your tax obligations as an employer are as follows:

- Ask new employees to fill in a **Tax code declaration - IR330**, which will tell you the tax code to use and the rate for deducting tax from their wages. If any employees do not fill in an IR330, you must deduct tax from their wages at the non-notified rate of 45% (not including employees' ACC earners' levy).
- Ask new contractors who receive schedular payments to fill in a **Tax rate notification for contractors - IR330C**, this tells you the rate of tax to deduct from their schedular payments. If any contractors do not provide you with an IR330C, you must deduct tax from their schedular payments at the non-notified rate. This rate is 20% for non-resident contractor companies, and 45% for all other contractors.

You'll need to fill out a **New employee details - IR346** form for each new employee and send it to us either:

- before their first pay day; or
- with the **Employment information - IR348** form that includes their first pay.

You'll need their name, KiwiSaver status, IRD number, tax code and contact details. Include their date of birth if they have provided you with this information. After you submit your first **Employment information - IR348**, this information will be automatically shown on your subsequent IR348 forms.

- Deduct PAYE from your employees' wages, and pay it to us either once or twice a month, depending on the total amount of wages paid. PAYE includes the ACC earners' levy to cover the cost of employees' non-work injuries.
- Complete an **Employment information - IR348** form with details of the required deductions for each employee. You can file your IR348 electronically through myIR.
- Pay fringe benefit tax (FBT) on any fringe benefits (perks) you give your employees - see page 17.
- Deduct child support payments and student loan repayments from employees' wages if required.
- Automatically enrol new employees who are eligible to join KiwiSaver and deduct their KiwiSaver contributions from their pay.
- If you're making KiwiSaver employee deductions or employer contributions you need to send these to us with the PAYE.
- Pay employer superannuation contribution tax (ESCT) on any employer cash contributions made to a superannuation scheme.

For more information on your obligations as an employer, see the **Employer's guide - IR335**

Employees and contractors

If any members of your organisation carry out paid work, they're treated as employees. PAYE must be deducted from the payments they receive. If the organisation gives board and lodging rather than money to any employees for their work, generally you must work out the gross value of the benefit given to them, calculate PAYE based on this amount and pay it to us - see the "Allowances" section in the **Employer's guide - IR335** Other benefits paid to replace wages may be liable for FBT - see page 17. An exception to this is for certain benefits received by members of religious orders - see page 29 for more information.

PAYE deducted from your employees' wages does not belong to your organisation, it must not be used for anything other than payment to us.

If a self-employed contractor does a job for the organisation, this generally does not make the organisation an employer. However, if the job is one of those listed on the back of the **Tax rate notification for contractors - IR330C**, you must deduct tax and pay this to us. You must also ask the contractor to complete the IR330C. If they've completed the IR330C and have chosen their own tax rate on page 1, deduct tax at that rate. Note: there are minimum tax rates that apply, refer to the **Employer's**

guide - IR335 If they've completed the IR330C and have not chosen a tax rate, use the standard rate listed on the back of the IR330C. If the contractor shows you a current **Certificate of exemption - IR331** or is a company (not in the agricultural industry), you do not need to deduct tax. A certificate of exemption can not apply to any payments made under a labour hire arrangement by a labour hire business. If the type of work done is not listed on the IR330C, you do not need to deduct tax as the contractor is responsible for paying the tax.

Some workers call themselves self-employed contractors or something similar, so their employers will not deduct PAYE. If, as the employer, the organisation has control over the work done, including what the person does and how, and where it's done, the worker is almost certainly an employee and is liable for PAYE. It's illegal to treat a true employee as self-employed to avoid deducting tax. If you're not sure whether a worker is a true employee, read Part 1 of the **Employer's guide - IR335** and our leaflet, **Self-employed or an employee? - IR336**

Employer's superannuation cash contribution (employer contribution)

An employer contribution is money paid by the employer to a superannuation fund, for the benefit of their employees. If your employees ask you to make deductions from their wages and pay them to a superannuation scheme, these are not employer contributions.

Any employer contribution an employer makes to a superannuation fund for the benefit of an employee is liable for tax. There are several options for taxing these contributions - see the **Employer's guide - IR335** for more information.

A "superannuation fund" is a scheme that has been registered under the Superannuation Schemes Act 1989. For more detailed information about superannuation fund contributions, refer to the **Employer's guide - IR335**

FBT (fringe benefit tax)

Charitable organisations are generally exempt from paying FBT on any benefits provided to employees while they're carrying out the organisation's charitable activities.

For example, if an employee has the use of a car while carrying out charitable work for the organisation, any private benefit arising is not subject to FBT.

The exemption does not apply to any short-term charge facilities provided to employees of your charitable organisation above a certain threshold. This includes vouchers and store value cards, for example, petrol and supermarket voucher cards,

Prezzy™ cards. For more information see Part 4 of our **Fringe benefit tax guide - IR409**

However, if your organisation operates a business which is outside its charitable, benevolent, cultural or philanthropic purposes and provides fringe benefits to any person employed in that business, FBT must be paid on those benefits.

For example, if that business provides a car as part of a salary package, for use with its business activities, FBT must be paid on any private benefit.

GST on fringe benefits

If an organisation is registered for both GST and FBT, it must make an adjustment for GST in its FBT returns for fringe benefits provided (unless the benefits are GST-exempt or zero-rated). See Part 8 of our **Fringe benefit tax guide - IR409** for more information.

Entertainment expenses

If your organisation is not fully income tax exempt, only 50% of entertainment expenses that are not subject to FBT are deductible for income tax purposes. For more information, read our **Entertainment expenses - IR268** guide.

RWT (resident withholding tax)

Charitable organisations registered with Charities Services are eligible for RWT exempt status. This means if your charitable organisation has money deposited in a bank or other financial institution, or has shares in a company, your organisation can receive interest or dividends without having RWT deducted.

When Charities Services registers or deregisters an organisation as charitable, they inform us. We accept their decision and approve or cancel RWT exempt status.

The IRD number of everyone with RWT exempt status is listed on the RWT exemption register on our website at ird.govt.nz/rwt-exemption

Payers of investment income (for example, banks) access this register to confirm which of their customers are exempt from having RWT deducted. You may also like to tell anyone paying you interest or dividends about your exemption, so they stop deducting RWT.

For more help

Our **Resident withholding tax on interest (RWT) payer's guide - IR283** has the information you'll need if your organisation pays interest and deducts RWT.

NRWT (non-resident withholding tax)

If your organisation pays interest, dividends or royalties to a non-resident, this is called non-resident passive income and your organisation must deduct NRWT. For more information on NRWT go to ird.govt.nz/nrwt or read our **NRWT – payer’s guide - IR291**

You can also contact our Non-resident Centre if you want to know more about the New Zealand tax residency rules for deducting and paying NRWT:

Email nonres@ird.govt.nz

Phone 03 951 2020

For more help

These guides will help if you have questions about residency or NRWT:

- **New Zealand tax residence - IR292**
- **NRWT - payer's guide - IR291**
- **Visitor's tax guide - IR294**

General information

Record keeping

You must keep sufficient records to calculate the income, expenses and GST liability of your charitable organisation, and to enable us to confirm your accounts if necessary. The records you need to keep are:

- receipt and payment account books
- bank statements
- invoices (including GST tax invoices)
- receipts
- any other necessary documents to confirm entries in your accounts
- stock take figures for the end of the financial year
- wage records for all employees, including KiwiSaver records
- interest and dividend payment records.

Note

For GST you do not need to hold a tax invoice for items costing less than \$50 but you do need to maintain a record of such payments. For income tax, you should have invoices for all expenses, whatever the amount.

You must hold all records for seven years, even if you cease operating (except for incorporated organisations that have been wound up and dissolved). We can also extend the period you must keep records for if we intend to audit or investigate your organisation. If this is the case, we'll write and tell you what records to keep.

All your records must be in English, unless we give you written approval to use another language.

Any charitable or donee organisation (see pages 6 to 8) must also keep a record of:

- the sources of any donations made to it, and
- how its funds have been used, within New Zealand or overseas.

If we request it to, the organisation should be able to fill in a tax return and identify the source and end use of all its funds.

It's important to keep all this information as we routinely audit these records.

Note

If you file your tax returns electronically, you must keep a paper copy of the return (and supporting records) for seven years.

You can read more about audits on our website at ird.govt.nz/audits

IRD numbers

No matter what type of charitable organisation you're running, it will need an IRD number. You may also use that IRD number for GST, PAYE, FBT or RWT purposes.

You'll need an IRD number for Charities Services when applying for charitable registration.

To get an IRD number, you'll need to send us a completed **IRD number application - resident non-individual - IR596** form. If you're incorporating a new company online through the Companies Office website, you can apply for an IRD number at the same time. Or, you can complete the IR596 form online, print, sign and send it to us. You'll need to provide a photocopy of one of the following:

- certificate of incorporation
- deed of trust
- certificate of registration.

You must also supply the names, addresses and personal IRD numbers of each shareholder, director, trustee or executive office holder.

Balance dates

For most taxpayers, the accounting year ends on 31 March - the balance date.

If you want a balance date for your organisation other than 31 March, you must apply to us in writing, stating your reasons. We usually only approve a change if there are sound business reasons for doing so, or if your business activity is in an industry where there is a recognised balance date other than 31 March.

Due dates

Some organisations may have to file returns and make payments to us for several tax types. To keep track of the due dates for payments and returns, use the calculator on ird.govt.nz or our **Tax due date calendar - IR328**

Part 2 – Tax benefits

Tax legislation benefits charities by allowing them income tax exemptions.

It also allows a tax credit or deduction for donations by individuals, companies or Māori authorities to donee organisations.

Note that a charity may also be a donee organisation but will need to register with Charity Services to be one.

If an organisation with charitable purposes is on Inland Revenue's approved donee list, but is not registered with Charities Services, it will need to register by 1 April 2020 to retain its donee status.

This part of the guide explains how these benefits work and the conditions an organisation must meet to get a particular benefit.

Charities

To qualify for an exemption from income tax, trustees of a trust must derive income for charitable purposes, and societies or institutions must be established and maintained exclusively for charitable purposes.

A charitable purpose is where the rules of an organisation clearly state that its purposes are for one or more of the following:

- the relief of poverty
- the advancement of education
- the advancement of religion
- any other matters that are beneficial to the community.

The organisation's aims must also be for a public purpose except where they are for the relief of poverty. The benefit must be available to a large part of the community and the activities must not result in the private benefit or profit of any individual.

You'll find further information about charitable purposes on the Charities Services website at charities.govt.nz

Income tax for charities

Non-business (investment) income

Registered charities are exempt from income tax on non-business income such as interest, dividends and rents.

They may use the non-business income for charitable purposes in and outside New Zealand and still keep the income tax exemption.

Business income

The portion of a registered charity's business income which is used for charitable purposes in New Zealand is exempt from income tax. If an organisation uses its business income for charitable purposes outside New Zealand as well, only the New Zealand part is exempt.

Business income will not be exempt if anyone connected with the charitable organisation:

- receives or can receive any type of benefit or income from the organisation, and
- can determine or influence the nature or amount of any benefit they receive.

Page 28 has more details about the limitations to this exemption.

These exemptions only apply to the charitable organisation's income. They do not apply to any other earned income passed on to a charitable organisation for charitable purposes. The people or organisation who earned the income must pay tax on it. However, the gifting of this income may qualify for a donation tax credit or deduction - see page 26.

Income derived from a business carried on by, or for, or for the benefit of a charitable organisation is exempt from income tax.

From 1 April 2020 to qualify for or retain this exemption the business will need to register with Charities Services in its own right. It will no longer be sufficient that the income is for the benefit of a registered charitable organisation.

Non-resident charities

Non-resident charities that only carry out charitable purposes outside New Zealand may not be able to be registered with Charities Services because they:

- are not established in New Zealand, and
- do not have a strong connection with New Zealand.

In these circumstances we may be able to approve an income tax exemption for non-business income if the entity meets certain criteria.

You can find out more about the criteria and the application process at ird.govt.nz/non-resident-charities

Non-resident charities with business income used to carry out charitable purposes in New Zealand must be registered with Charities Services to be eligible for an income tax exemption on that income. This exemption covers both business and non-business income used for charitable purposes in New Zealand, but not business income applied overseas.

Charitable estates

The executor or administrator of a deceased person's estate may derive income from any money or assets left to charitable organisations while the will is being finalised. If the organisation benefiting from the will is entitled to an income tax exemption, the income derived while the funds are held awaiting finalisation is also exempt.

This exemption only covers the income derived from the money or assets of the estate that have been left to the charity. The estate must still pay tax on any income it earns from other assets or money.

If the trustees want to confirm their tax exemption they need to send us, during that intervening period, a copy of the deceased's will and the following details:

- details of any charity that will receive gifts under the will and the amount they will receive
- the rights of the various beneficiaries under the will
- the net value (after debts and liabilities) of the estate available to be distributed to the beneficiaries
- the shares and the prospective shares of the beneficiaries in the income and assets of the estate.

Gifts to charities

Gift duty was repealed for gifts made after 1 October 2011. If your organisation needs information on the tax implications for gifts made before this date, then you can contact us for further information.

Donee organisations

When an organisation is considered a donee organisation for tax purposes, any gifts of money it receives from individuals, Māori authorities and certain companies, qualify for tax advantages. You will need to apply to Inland Revenue for approval to become a donee organisation. See pages 26 and 27 for more information on these tax benefits.

An organisation does not have to be a registered charity to be eligible for donee organisation status. However, from 1 April 2020 if the organisation has only charitable purposes it must register as a charity to obtain donee status.

A donee organisation must be a New Zealand society, institution, association, organisation, trust or fund. Its funds must be applied wholly or mainly to charitable, benevolent, philanthropic or cultural purposes in New Zealand. This means that the organisation's aims or purposes should be carried out in New Zealand, even if this results in paying money outside New Zealand to achieve these purposes.

Inland Revenue administers the “wholly or mainly” requirement on a “safe harbour” basis of “75% or more”. This means Inland Revenue will generally accept that an organisation meeting or exceeding the safe harbour percentage of 75% has wholly or mainly applied funds to specified purposes within New Zealand. This applies to and from the 2019/20 income year. For more information, see our Interpretation Statement IS 18/05 – Income tax – donee organisations and its accompanying fact sheet on applying the “safe harbour” approach. These can be found at taxtechnical.ird.govt.nz/safe-harbour

The safe harbour percentage is relevant only if the organisation applies funds to purposes that are not specified purposes within New Zealand.

Cultural purposes include dramatic, theatrical, operatic, ballet, choral or musical purposes. Benevolent and philanthropic purposes basically mean doing good for other people. This includes organisations that are not charitable in the strict legal sense, but are popularly seen as charitable, for example, organisations whose proceeds or funds are used to benefit all or a large part of the public.

Another condition is that the organisation must not be carried on for the private benefit of any member or an associate of any member.

Charities that apply the principal part or all of their funds outside New Zealand must be approved for donee organisation status by Parliament. Approval is limited to organisations whose funds are mainly used for:

- the relief of poverty, hunger, sickness or the results of war or natural disaster
- the economy of developing countries (as recognised by the United Nations)

- raising the educational standards of a developing country.

Inland Revenue considers these applications and makes a recommendation to government.

Organisations that are approved are listed in the Income Tax Act. A donee organisation is still liable for income tax on any taxable income it earns from sources outside its own membership if it has no other income tax exemption.

There are government guidelines for organisations seeking charitable donee status for their overseas activities. For information on the guidelines go to ird.govt.nz/overseas-donee-status

Donation tax credit or deduction

Gifts of money by individuals

Individuals who give cash donations of \$5 or more to donee organisations may claim a tax credit of one-third (33.33%) of the total of all donations, up to the amount of their taxable income.

To qualify for this tax credit:

- the gift must be made in money - gifts of goods or property do not qualify
- the gift can not be made under the will of a deceased person
- each gift must be \$5 or more.

However, gifts can still qualify for a tax credit if an arrangement is in place to make a gift of under \$5 through regular instalments throughout the year, and the total at the end of the year is \$5 or more (for example, if you give \$1 each week to your church, making the total contribution for the year \$52).

Where an employer offers payroll giving, they must make sure all donations are passed to the requested donee organisations. This must be done by the PAYE payment due date closest to the end of the two months from the last day of the pay period when the donation was deducted from their employee's wage.

When receipts are issued by the donee organisation they should be in the employer's name and state the donation was made under the payroll giving scheme. The employee does not receive a receipt from the donee as they receive a tax credit reducing their PAYE at the time the donation was deducted from their wages.

Gifts of money by certain companies

A company (including an unlisted close company), can claim a donation deduction for cash donations it makes to donee organisations. A "close company" is one that has five or fewer shareholders. The maximum donation deduction that can be claimed is limited to the company's net income (that is, income, less expenses, but before the donation deduction is deducted).

For more on tax credits on gifts and donations go to ird.govt.nz/donations

Gift of money by Māori authorities

A Māori authority may claim a deduction against its net income for cash donations it makes to a Māori association or a donee organisation.

The maximum deduction allowed is limited by the Māori authority's net income (that is, income less expenses, but before the donation deduction is deducted).

Receipts

Please provide the donor with a receipt that contains:

1. An official stamp or letterhead and the full name of the organisation.
Where the local organisation is part of a larger group or organisation, please provide clear reference to this on the receipt. For example, "Relief of Poverty Foundation, Wellington Branch".
2. The following identifiers for the organisation:
 - a) the DIA-Charities Services registration number, and
 - b) its IRD number
3. A clear statement that the amount received is a donation. Exclude membership subscriptions or fees, purchases of goods or services and raffle tickets as they do not qualify for donation tax credits.
4. The full name of the donor and their address if held
5. The full amount and date of the donation (or if there were regular payments throughout the year you may show the total amount for the income year ending 31 March)
6. The full name, designation (for example, Treasurer, Secretary), and signature of an authorised person
7. A receipt number, unique to each receipt.

Make sure the organisation:

- keeps copies of all receipts issued for seven years. We may wish to inspect or verify issued receipts
- does not use correction fluid on or cross out details and write corrections on receipts. Just cancel the incorrect receipt, ensure the donor's incorrect copy is returned and noted as cancelled in the organisation's records. Then redo a correct receipt for the donor and your records.
- Treasurers and officers should not authorise or sign their own receipts or those relating to their immediate family.
- Keep the contact details of authorised persons that oversee donations, such as the secretary or treasurer, up-to-date, as we may wish to contact them to verify receipts. To update Inland Revenue, you may use the form **Appoint an Executive Office Holder to act on your behalf - IR401**

Eligibility for exemption or donee organisation status

Charities registered with Charities Services

You do not need to apply to Inland Revenue to confirm your income tax-exempt status. When you register as a charity, as long as they have your IRD number, Charities Services will pass on the details to us so you will not need to contact us separately.

In most cases, charities with non-business income only, which are registered with Charities Services, will be eligible for the exemptions. Registered charities carrying out a business will need to consider some limitations and exceptions to the exemption, (summarised on pages 28-31), and self-determine their tax position.

These details will also show if you're applying for donee organisation status. We'll decide about your status based on this information, and advise you in writing. This is a valuable document for your organisation so keep a copy in a safe place.

For more information on tax exemption go to ird.govt.nz/charity-services

Basic necessities for members of religious organisations

If certain conditions are met, a member of a religious society or order can be provided with board, lodging and/or basic personal necessities, and receive these tax exempt. This only applies when the member is unpaid, their only occupation is service in that religious society or order, and it is the nature of the service that members are not paid or rewarded for their work.

For more information on this tax exemption, go to ird.govt.nz/exempt-income-religious-organisations

Not registered with Charities Services

From 1 April 2020 all organisations with charitable purposes will need to be registered with Charities Services to be considered for donee status.

If your organisations has benevolent, philanthropic or cultural purposes but not charitable purposes, and you want us to consider you as a donee organisation, send us:

- an up-to-date, signed copy of your rules, constitution, trust deed or other founding document
- a copy of your certificate of incorporation (if incorporated)
- a letter requesting donee status
- details of how the organisation has been (or will be) operating.

We'll consider your application and let you know in writing. The criteria that we look at for donee status is summarised on the following pages.

Inland Revenue's criteria

There are some specific requirements for your organisation to have donee organisation status and for charities claiming the income tax exemption on business income.

In addition to Inland Revenue's rules, your governing document needs to contain certain rules and clauses to register as a charity. For information about the registration criteria go to Charities Services website charities.govt.nz or call 0508 242 748.

Personal benefits

A donee organisation's funds can not be used to provide personal benefit to its members, trustees or associates.

Sometimes the aims or powers may allow benefits to members, but they may only benefit to a limited extent from their membership. Some acceptable benefits are

newsletters that do not require a subscription, voting rights to appoint officers of the organisation and any benefit also available to the general public.

If any member can receive more than these benefits, the organisation can not be considered as a donee organisation. Also, if a member can in any way influence the amount of any benefit they receive, the organisation will not qualify as a donee organisation.

The organisation may pay members for their services, as long as the payments are reasonable, not more than normal commercial rates and for services actually provided.

A member may also be reimbursed for reasonable expenses incurred on the organisation's behalf and earn interest on money lent to the organisation (provided the loan is at a normal commercial rate).

If an organisation's rules allow unrestricted benefits to members, a clause preventing this must be added before we'll grant donee organisation status.

An example of such a clause is:

- "(1) All income, benefit, or advantage must be used to advance the charitable purposes of the organisation
- (2) No member of the organisation, or anyone associated with a member, is allowed to take part in, or influence any decision made by the organisation in respect of payments to, or on behalf of, the member or associated person of any income, benefit, or advantage.
- (3) Any payments made must be for goods or services that advance the charitable purpose and must be reasonable and relative to payments that would be made between unrelated parties
- (4) The provisions and effect of this clause shall not be removed from this document and shall be included and implied in any document replacing this document."

Altering the rules

An organisation may change its rules, constitution or trust deed through a rule alteration clause. To qualify as a donee organisation, this must be worded so any clauses dealing with purposes, benefit to members and winding up can not be changed so that they would affect the requirements for donee organisation status.

If the rule alteration clause is not restricted, we will not grant donee organisation status. The following is a suitable restriction (proviso) for a rule alteration clause:

"No addition to or alteration or removal of the rules shall be approved if it detracts from or alters the nature of the organisation."

If the organisation is a registered charity or intending to register it will not need a proviso (as above) because all alterations must be sent to Charities Services to comply with the Charities Act.

Purposes limited to New Zealand

An organisation seeking donee organisation status must be a society, association, or trust that applies its funds wholly or mainly in New Zealand to promote charitable, benevolent, philanthropic and cultural purposes.

If your organisation applies funds for purposes both within and outside New Zealand we advise you to record these separately in your accounts. Any funds applied overseas will not qualify for a tax credit or deduction unless your organisation has been approved as a donee organisation.

Some organisations (such as overseas charities) apply all or most of their general funds outside New Zealand. If the organisation sets up a separate fund for use in New Zealand it may qualify as a donee organisation.

Winding up

If an organisation's rules or constitution allows it to be wound up, the winding-up clause must prevent the funds or assets from passing to a private purpose. This means the rules for a donee organisation must have a clause stating that, on winding up, the income and assets will be held for charitable, benevolent, philanthropic or cultural purposes in New Zealand.

When a donee organisation is wound up, any remaining income and assets must be distributed to an organisation that carries on activities wholly or mainly in New Zealand. The organisation receiving the distribution may be either a donee organisation or a charity.

However, if the donee organisation is a registered charity the clause must state that, on winding up, the income and assets must be used for charitable purposes in New Zealand.

Business activity

Only the business income of a registered charity used for charitable purposes in New Zealand is exempt from tax.

Any business income used overseas is liable for income tax. It will also be liable if anyone connected to the organisation:

- receives or can receive any type of benefit or income from the organisation, and
- can determine or influence the nature or amount of any benefit they receive.

However, there are two situations when an organisation may pay someone connected with it (or provide other benefits) without losing its exemption. If the person:

- is reimbursed on a reasonable basis for expenses incurred on behalf of the organisation
- lends money to the organisation, it may pay interest at normal commercial rates.

A person who provides services to the organisation as part of their professional practice can not influence or determine the nature or amount of any benefit they receive. The Public Trustee, the Māori Trustee and any trustee company are deemed to be carrying on business as a professional public practice.

A person is considered connected to a charitable organisation carrying on a business if they are:

- the settlor or trustee of a trust
- a shareholder or director of a company
- a settlor or trustee of a trust who is a shareholder of the company
- an associated person of any of these people.

There are two further examples where an exemption does not apply.

- If someone transfers an asset to a trust but retains an interest in the asset, they're considered to be a settlor of the trust and to be gaining a benefit.
- If a person connected to the organisation transfers an asset to the organisation but retains an interest in the asset. If the organisation uses the asset to earn rental income, the person will be considered to be receiving a benefit since they still have an interest in the asset.

Part 3 – Income

Charitable organisations can receive many types of income, including subscriptions, grants, subsidies, donations or koha, fees, raffle money, trading profits and proceeds from selling assets. Some grants made to non-profit bodies fall within the meaning of an unconditional gift or donation (see page 10) especially if given by charitable trusts. These are not liable for GST. If you're not sure please contact us to discuss. The table on page 35 shows whether the different types of income are liable for:

- income tax (for organisations not entitled to an exemption), and
- GST (for those organisations registered for GST).

You'll notice that income "exempt from GST" is different from income that's "not liable for GST". This is important when working out your claim for GST input tax credits on goods and services bought to run your organisation.

GST-registered non-profit bodies (including charities) may claim input tax credits on expenses incurred in deriving income that's either liable or not liable for GST, but not in deriving income that is exempt from GST.

Example

A GST-registered charitable organisation receives income from:

a government grant	liable for GST
trading activities	liable for GST
donations	not liable for GST
renting a residential property	exempt from GST

The charitable organisation can claim a GST input tax credit for all the expenses except those incurred in deriving the rent, which is exempt from GST.

Income exempt from GST includes:

- income from financial services, including interest from banks and dividends from public companies
- proceeds made by a non-profit body from selling goods and services that were donated to it
- rent received from residential accommodation.

Table of income types

	Liable for income tax if no tax exemption applies Δ	Not liable for income tax	Liable for GST	Not liable for GST	Exempt from GST
Subscriptions		✓	✓		
Donations		✓		✓	
Koha		✓ [†]		✓	
Bequests		✓		✓	
Grants		✓	✓		
Unconditional gifts		✓		✓	
Subsidies		✓*	✓		
Suspensory loans	✓		✓		
Trading activities	✓		✓		
Raffles or housie proceeds		✓*	✓		
Admission fees	✓		✓		
Affiliation fees	✓		✓		
Sale of donated goods or services		✓*			✓
Sale of purchased goods	✓		✓		
Sale of assets or equipment		✓	✓		
Insurance receipts		✓	✓*		
Hall or equipment hire	✓		✓		
Rent received (residential)	✓				✓
Rent received (commercial)	✓		✓		
Penalty payments (fines)	✓		✓		
Advertising or sponsorship	✓		✓		
Interest or dividends	✓				✓
Gaming machines	✓		✓		

* Liable in certain situations

† The tax treatment of koha depends on what it is. See our factsheet **Payments and gifts in the Māori community - IR278**

Δ Registered charities are generally exempt from income tax for both business and non-business income. There are some limitations to this. See pages 23 and 28-32 for more information.

Part 4 – Charity deregistration

There are a number of different reasons a charity may be deregistered. The reason will determine the date of deregistration and the tax treatment of the charity from this date.

A charity can be deregistered from the Charities Register by:

- voluntary deregistration or
- Charities Services deregisters it.

From 6 April 2016 the tax treatment that applies to a deregistered charity also applies to non-registered charities that stop meeting the specific exemption in section CW 42(1) of the Income Tax Act 2007 for business income.

For more information on the tax treatment of charities that deregister or charities that stop meeting the business income tax exemption go to ird.govt.nz/charitable-organisations

Voluntary deregistration

A voluntary deregistration is when the charity requests Charities Services to remove them from their register. This can occur when either the charity has:

- ceased and is winding up, or
- not ceased but no longer operates as a charitable organisation.

From 14 April 2014, a charity's voluntary deregistration date will be the day it's removed from the charities register.

Deregistered by Charities Services

Charities Services will deregister a charity which has failed to comply with the Charities Act 2005. From 1 April 2015 the date of deregistration will be based on the type of non-compliance that occurred as follows:

If the charity...	the date of deregistration will be...
never acted in accordance with its constitution	backdated to the start date
stopped acting in accordance with its constitution	from the date of the change
did not file an annual return.	from the date Charities Services removes it from the register.

Court proceedings/appeals

If the charity is involved in court proceedings or appealing a decision to deregister it for any of the above reasons, it will be deregistered on the date when all court proceedings or appeals are finished or exhausted.

Entities not registered with Charities Services

From 6 April 2016 the deregistration tax rules also apply to a non-registered Charity that stops meeting the specific exemption in section CW 42(1) of the Income Tax Act 2007 for their business income. Because the deregistration date does not apply to these entities, the references to "date of deregistration" below need to be read as the date the charity no longer meets the requirements for an income tax exemption.

Tax treatment

The charity will have one year from the date of deregistration to dispose of or transfer any assets (including accumulated income) less liabilities for charitable purposes or as set out in its constitution.

Otherwise, income tax will be payable one year from the date of deregistration on the net assets which the charity does not dispose of or transfer within that time.

From the 1 April 2019 small charities with net assets of \$10,000 or less will not be subject to this deregistration tax. Charities with over \$10,000 net assets will be subject to tax on the total value of the net assets (including the initial \$10,000).

There are certain adjustments to exclude certain assets. For example the charity can make an adjustment for any assets, other than money, donated to the charity while it was registered.

You make the adjustment by:

- taking the entity's assets (less liabilities) on the end date,
- less:
 - assets disposed of or transferred for charitable purposes within one year of the registration end date.
 - the value of any assets, other than money, donated to the charity while it was registered,
- Record the resulting value of assets in the entity's income tax return for the period that includes the day one year after the charity was deregistered (or stopped meeting the criteria for its charitable income tax exemption).

Example: \$10,000 and under net assets

Charity One’s date of deregistration is 1 July 2019. Its balance sheet at 1 July 2019 is shown below.

Assets		Liabilities	
Cash	\$ 50	Loan	\$ 200
Inventory	\$ 500	Organisations Equity	\$ 350

The income calculation will be:

- Assets \$550 less liabilities \$200 equals net assets of \$350

As deregistration is after 1 April 2019 and net assets are not more than \$10,000 no income arises.

Example: Assets over \$10,000

Charity D’s date of deregistration is 1 July 2019. It’s balance sheet at 1 July 2019 is shown below.

Assets		Liabilities	
Cash	\$ 10,500	Loan	\$ 200
Inventory	\$ 500	Equity	
Land (donated)	\$ 3,000	Organisations equity	\$13,150

One year later no assets have been disposed of or transferred.

The income calculation will be:

- assets \$13,350 less \$200 liabilities equals \$13,150
- less the value of the donated land (\$3,000) = \$10,150.

Charity D will include \$10,150 as income for tax purposes

How to calculate the value of an asset or financial arrangement

Example: Depreciable property

Charity A registered as a charitable entity in 2013. That same year, it bought office furniture for \$50,000 (GST-exclusive) during the first month of the 2013 tax year. In 2018, Charities Services deregistered it because it hadn't complied with its constitution since registering. Charity A still owned the office furniture at the date of deregistration so it must file an income tax return for each year starting from the 2013 year.

The value of the cost of premises, plant and equipment at the "date of cessation" must be depreciated, under the general tax rules, for each year it is used in Charity A's business. Using the depreciation rate of 19.2%, the cost of office furniture for each year from 2013 to the present day is:

Year	2013	2014	2015	2016	2017	2018
Opening value (\$)	50,000	40,400	32,643	26,376	21,312	17,220
Depreciation	9,600	7,757	6,267	5,064	4,092	3,306
Year-end balance (\$)	40,400	32,643	26,376	21,312	17,220	13,914

Charity A's assets are worth \$50,000 and it applies depreciation of \$9,600 in its 2013 income tax return.

Example: Financial arrangement

Charity A lent \$100,000 to B in 2013. The loan was repayable on demand and the annual interest rate was 10% (compounding). No loan repayments were made.

Charity A must account for this loan under the financial arrangement rules in each of the years it had ceased to meet the requirements of being a charity. It must also calculate an opening value using this formula:

Consideration paid to person + expenditure - consideration paid by person - income

Consideration paid to person is the amount paid to the person before the date the charity ceased.

Expenditure is the amount incurred under the financial arrangement rules before the date the charity ceased.

Consideration paid by the person is the amount repaid before the date the charity ceased.

Income is the amount that would have been derived under the financial arrangement rules before the date the charity ceased.

Charity A calculates the loan as follows:

Year	2013	2014	2015	2016	2017	2018
Opening value (\$)	100,000	110,000	121,000	133,100	146,410	161,051
Interest (\$)	10,000	11,000	12,100	13,310	14,641	16,105
Year-end balance (\$)	110,000	121,000	133,100	146,410	161,051	177,156

In 2013 the opening value would be \$100,000 and the closing value would be \$110,000.

Charity A accounts for \$10,000 accrued interest income in its 2013 income tax return.

FBT

When the deregistered charity is no longer eligible for the FBT exemption, the FBT rules will apply from the date of deregistration as explained earlier.

A charity that has deregistered voluntarily will lose their FBT exemption from the date it's removed from the charities register. It will be liable for FBT for the return period from this date onwards.

A charity that did not comply with their constitution will lose its FBT exemption from the date of non-compliance and FBT will apply for the return period from this date.

Community housing entity

Where a community housing entity no longer meets the requirements of being a charity and is deregistered from the charities register, it may be able to apply for an income tax exemption. For information go to ird.govt.nz/community-housing

Part 5 – Services you may need

Need to speak with us?

Have your IRD number ready and call us on one of these numbers:

General tax, tax credits and refunds	0800 775 247
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 227 771

We are open 8am to 6pm Monday to Friday, and 9am to 1pm Saturday. We record all calls. Our self-service lines are open 7 days a week. They offer a range of automated options, especially if you are enrolled with voice ID.

find out more at ird.govt.nz/contact-us

0800 self-service numbers

Our 0800 self-service number, 0800 257 777, is open 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

When you call, just confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Tax Information Bulletin (TIB)

The TIB is our monthly publication containing detailed technical information about all tax changes. Subscribe at taxtechnical.ird.govt.nz/subscribe and we'll send you an email when we publish each issue.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your tax and entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them, and
- Statistics New Zealand (for statistical purposes only).

If you ask for the personal information we hold about you, we will give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at ird.govt.nz/privacy

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process. Find out more about making a complaint, and the disputes process, at ird.govt.nz/disputes

These publications will give you more information.

Depreciation - a guide for businesses - IR260

Education centres - IR253

Employer's guide - IR335

Fringe benefit tax guide - IR409

Gaming machine duty - IR180

Grants and subsidies - IR249

GST guide - IR375

GST - do you need to register? - IR365

Inland Revenue audits guide - IR297

Payments and gifts in the Māori community - IR278

Payroll giving - IR617

Provisional tax - IR289

Resident withholding tax (RWT) on dividends - payer's guide - IR284

Resident withholding tax (RWT) on interest - payer's guide - IR283

Self-employed or an employee? - IR336

Smart business - IR320

Penalties and interest - IR240

Tax Information Bulletin - (under review) Operational Statement 06/02 Interaction of tax and charities rules, covering tax exemption and donee status



Te Kāwanatanga o Aotearoa
New Zealand Government