

Question	Answer
How many refunds were issued in error? What is your rate of accuracy so far in refunding the correct amount?	There has been a very high accuracy rate of assessments issued. Our latest figures indicate 0.02% of assessments have been amended
is the \$50 write off for automatic assessments only or do IR3 filers also get the increase to \$50 (was previously \$20)	The \$50 write-off is available to qualifying individuals who only have reportable income so does not apply for customers who file an IR3 (as the IR3 is for customers who have non-reportable income)
I have clients who received salary and wages as well as other non source deduction income. Why did IRD issue assessments before we have had the time to calculate their correct income?	Assessments were generated based on information we held at the time. Customers (and their intermediaries) can update possible income sources at any time in their income profile in myIR or amend the automatically calculated assessment to include other income.
What happens for clients where the IRD has issued an automatic refund / tax bill, but the client is actually required to file an IR3 tax return?	The legislation allows customers to amend an automatically calculated assessment before their terminal tax due date without any penalties or interest being charged. If customers have additional income to declare they can amend their assessment which allows them to add non-reportable income (ie file an IR3).
IR said there would be a way we can stop auto assessing of clients returns - when will we see this?	We have heard your feedback on this and we are working through how to provide agents greater control over their clients' assessments
It has been suggested that if agents file a tax return via software on a client that has already been automatically assessed that they will be penalised for not using MYIR to amend the assessment. Is this correct?	The legislation allows customers to amend an automatically calculated assessment before their terminal tax due date without any penalties or interest being charged.
Is there a way for tax agents to change a client from 'having to file a return' (old IR3) to 'automatic calculation'?	The return type expected (eg IR3) is based on the income sources IR knows about. If a customer is no longer receiving an income type which requires an IR3 you can update this in the client's income profile.
We had a client who had an automatic assessment & received a refund. We then changed them to an IR3 as shareholder salary & once this was processed she was charged interest on this. Nick just advised that the new assessment would replace the existing - is that only for clients with tax due rather than receiving a refund?	The legislation allows customers to amend an automatically calculated assessment before their terminal tax due date without any penalties or interest being charged, this applies to any changes, not just for customers who initially received a refund.
what is IRD doing about the "huge" impact the implementation is having?	We acknowledge the effect the changes are having on you and are trying to minimise the impact as much as possible. We are working as quickly as we can in the background to put as many fixes in place as we can. We have had an internal team set up to push the fixes along and we have created the top solutions page to communicate these changes with you. We are applying the learnings from each release to further reduce the impact.
When will IRD commission a report on the financial cost that the implementation has had on agents which are unrecoverable?	Inland Revenue will continue to work with tax agents and their representative professional bodies to hear and respond to their concerns. We do this directly, rather than through commissioning reports.
Will IRD be closing down in April to make the changes and if so what dates. Will we be able to file tax and GST returns over this time?	Similar to the previous release, IR will shut down to implement the changes. We are targeting Easter 2020 and will be able to confirm exact dates early in the new year.

The new system has created a lot of extra administrative tasks due to correspondence both online & via physical letter. Will these impacts here be taken into account with the next release?	We are taking feedback on board, and documenting learnings from each release to ensure we improve going forward.
I assume a cheque can be used to pay in person at Westpac?	EFTPOS and cash payments are available for customers who prefer to visit a Westpac branch or use a Westpac Smart ATM. Payment by cheque (at a Westpac counter or ATM) was removed as a payment option on 1 October 2014.
How are you dealing with customers who have no internet access, or Westpac branch close by? E.g. elderly, rural	Where there is no internet access or a Westpac branch close by, customers can arrange to make an automatic payment with their bank, or phone Inland Revenue to make a payment using a credit or debit card. It may be that a family member may be available to assist. Our revised standard practice statement is available for consultation currently, and includes provision for situations where no suitable payment option is available. The consultation period ends on 13 December 2019.
Under Changes to payment methods, payments by Cash are not mentioned. Can this be done?	EFTPOS and cash payments are available for customers who prefer to visit a Westpac branch or use a Westpac Smart ATM.
Can a tax agent set up Direct Debit for client through MyIR? Is it covered by authority to act as agent? If not, what sort of separate authority is required?	A tax agent will not be able to pay by direct debit from a client's own bank account and that is due to the rules around direct debit that the banks have set. This is not something that Inland Revenue can control. A tax agent can make a direct debit from their own account.
A client cannot pay using eftpos at a bank as these have a \$5,000 limit. So how does a client pay if they do not use the internet and their tax bill is more than \$5,000. We believe you can still apply to pay by cheque per your previous correspondence on application. Is their only option large cash payments?	Customers need to discuss payment arrangements, such as limits on the value of an eftpos transaction with their bank. However, they do have the option of using an automatic payment, which they could arrange with their bank.
What feedback have you had on the future non acceptance of cheques? It is going to be a real issue for some of my older clients especially.	Feedback has been varied, and some concern has been expressed for older clients. Our revised standard practice statement is available for consultation currently and includes provision for situations where no alternative payment option is available. However, customers will need to discuss the most suitable payment option with their bank, as there are many viable payment options - direct debits, automatic payments, online banking, payments by cash or eftpos at Westpac. The consultation period ends on 13 December 2019.
Many small voluntary organisations need dual signatures on bank payments but do not use internet banking because some banks charge for this service. How do these organisations pay tax if there is no local Westpac branch? You need to provide facilities to pay at other banks	Customers may need to discuss the best way to manage payments with their bank, including the cost of managing dual signatory services. Another viable option they could consider would be an automatic payment arrangement with 2 signatures.

No cheques for "customers able to pay by other methods" or no cheques full stop?	No cheques from customers able to pay by other methods.
Where a taxpayer is making monthly voluntary payments towards forward tax, if they are putting it to the wrong year, you have been refunding these amounts. Is there some way, as a tax agent, to stop this process without having to manually transfer these payments each time?	No, payments need to be directed to the intended year. We have made some changes to ensure any outstanding liabilities on Income tax are paid before refunding. We don't want to be holding credits in periods that have been assessed.
Hi there, can you tell me why your new systems seem to automatically take gst refunds and offset them against income tax liabilities even when the income tax is not yet due?	There were some changes made in August to reduce this occurrence. However, provisional amounts that are not yet paid after their due date will be paid. Not the entire tax year amount which was happening previously.
When we update a bank account In a tax return - we notice it now triggers an automatic refund instead of transferring the tax refund to a future period as entered in the tax return - when will this issue be resolved?	There is currently a time limit for credit transfer requests to be actioned. If there is a delay in the return being posted it can result in the credit transfer time limit being exceeded. We are looking to have the timeframe extended to rectify this.
Refunds Issued in 2019 included refunds of Provisional Tax Payments where no Tax Bill had yet been recorded	If a return is filed in a tax year then we would complete the assessment on that period. Any credits in that period would then be evaluated for refund. If there is no return filed, we will not create a refund from any period.
Will the IRD review the current tax agent tax return filing % and due dates during the tax year? When was this last reviewed?	Chartered Accountants Australia and New Zealand (CA ANZ), and Inland Revenue annually negotiate the administrative details of applying an automatic EOT to agents. This agreement is applied by Inland Revenue to all tax agents, whether or not they're members of CA ANZ. This was last updated in early 2019, and is published on our website at https://www.classic.ird.govt.nz/forms-guides/number/forms-001-99/ir9xa-eot-arrangement.html
Income Equalisation has always dealt in cheques only. Is this section going to be updated so we can pay by internet banking?	In our next release we will be bringing Income Equalisation into START and the account will be available in myIR. This will allow customers to submit deposit and withdrawal requests digitally and make and receive electronic payments.
What process must a Tax Agent follow when advising IRD of a change to a Taxpayer's postal address - and to correct the spelling of a Taxpayer's name ?	Tax agents must have the customer master link to a client if they would like to change a customer's postal address via myIR. Alternatively they can send a secure mail or call the 0800 number to change an address. Supporting documentation is required to update all legal names unless we are correcting a typo (e.g from Jordin to Jordan) or changing the effective dates for the names. Supporting documentation can be sent in via myIR. You cannot update legal names via myIR, only preferred or trade names if you have the customer master link.
Are Imputation Credit Account balances going to show on myIR?	Since Release 3, INC and ICA are a combined tax type. MyIR currently shows the closing balance as at the last year that an IR4J was filed. This shows under the 'More' tab at the period level in the income tax account in myIR.
What is the timeframe for fixing opening balances on the ICA account on MYIR to enable refunds to be released?	Opening balances in myIR do not limit refunds; the closing balance of the ICA return is what limits refunds.

When looking at a client's Income Tax account, we see at the start the gross income and tax deducted, but the tax deduction includes the ACC portion. Can the net tax deduction be shown instead?	You can see the net tax deductions by clicking the 'View details' button on the Earnings summary box on the Summary tab. Once you're in the Income summary page, the 'View breakdown' link will show you all the relevant income tax and deduction breakdowns. This is not something we are currently looking to change.
Is Carried Forward Losses going to show on the income tax page?	Losses carried forward for individual customers are now in myIR and can be viewed in the income tax period by clicking the 'More' button. We are still working on making this information also available for non-individual customers. The Top Solutions web page will be updated when this is available.
When will the income tax screen be more user friendly and show provisional tax as 1 figure not 3 and show a running balance	We are working on some changes to provisional tax to make it easier to read in myIR. However, we will not be changing the transactions back to a single item or providing a running balance. The financials in our new system operate differently. You can find more information about this on our Top solutions page under 'Running balances'.
With filing of clients tax returns through MyIR there is still no option to request a refund of overpaid prov tax for the following year, is this going to be fixed?	Yes, it will be fixed.
When a tax return is filed there doesn't always seem to be a notice of assessment that you can access in the system, does the new system not issue a notice of assessment?	A Notice of Assessment is only issued when something in the assessment changes on processing compared to what the customer files. Return acknowledgments are only via E-File now.
Can we use business losses to offset PAYE to get refund?	The legislation allows losses to be offset against other income in many circumstances.
Why are returns with NZRWT deducted from overseas income going into error, even when we attach correspondence explaining this.	Returns received via E-File and myIR will be held from processing if there is correspondence attached that needs to be actioned first.
What is tailored Tax Codes?	Tailored tax codes used to be referred to as Special tax codes. They help customers pay the right amount of tax if their circumstances mean they often have a large tax bill or refund. A tailored tax code lasts for up to one tax year.
We have already seen some investment income pre populated into clients tax information. When we prepare 2020 and 2021 tax returns how do we deal with this when we efile tax returns (especially if it is not correct).	If you can see that information is incorrect you can take steps now to correct it prior to filing your return by updating splits of joint account information in myIR or ensuring your bank is deducting at the right rate. When you prepare the end of year tax return you can amend the pre-populated information with the correct information and let us know why the original information sourced from the payer is incorrect.
if investment interest is paid without tax deducted is this information required to be filed with IRD and when. Such as interest on shareholder current account balances.	RWT exempt interest does not need to be included in the reporting.
Will the system improve for reporting close company dividends reported. It's currently very difficult to do so.	We will pass on your concerns to our policy team.

What happens to joint accounts for investment income?	One of the changes for payers of Investment income is that they need to record all of the IRD numbers for joint accounts and share these with us. As they update their systems and capture the IRD numbers they will send these through and we'll be able to prepopulate this information in myIR. If the information is incorrect you can change the allocations. Generally, we will just treat it as split 50/50, but you can update the returns if the split should be something different.
Please confirm Maori Authorities requirements re dividend payments	Taxable Maori authority distributions must be reported to us - further details are available on our website.
Will investment income be automatically imported into our e-filing tax systems (as the SOE data is now)?	E-File is not currently able to accept investment income however this data is available in myIR and gateway services.
Where is the RWT exempt register found? And is it a public document?	The RWT exemption register comes in from 1 April 2020, it will be available through the Inland Revenue website for people to search. This will be a public document.
Will dividends received also be sent to IRD electronically eventually	Yes. This is currently optional and is mandatory for payments made from 1 April 2020. Payers of dividend income will need to report details to us, and these will prepopulate into your account.
Will the RWT exempt Register display the taxpayer's IRD number?	Yes.
If we pay a dividend from the client company to the shareholder, does IRD need to know the dividend details and do IRD just want the IR15S only to show RWT. Is there a better form to record this?	Yes. The IR15S is for RWT on interest only and will no longer be required after the move to monthly reporting. The last IR15S to be submitted will be for the year ending 31 March 2020.
We seem to be getting IR15P's every month for clients that have previously only had 1 or 2 interest payments a year. Are we required to file Nil returns for every month when there is no RWT deducted?	You may amend your frequency to irregular if this is an issue. Nil returns will no longer be required from 1 April 2020 in the new reporting mechanism.
I file payday filing online on an ad-hoc basis as we only pay director's fee once or twice a year but I still get the paper returns sent. As I do this for several entities I have got almost 1/2 a ream of paperwork sent to our organisation.	We send paper each month as we cannot know when said fees are to be paid. If you file online the paper returns should stop, or you can contact us to turn paper off.
RWT to file monthly do clients who would normally pay 3 monthly now have to pay monthly or just file monthly	Filing of the return (in the revised reporting requirement) is to be done only when a payment is made. If interest is paid quarterly then the return is filed quarterly to match the RWT paid to Inland Revenue.
Who is eligible for RWT exemption status? How to apply for it?	Please refer to our website for more details. https://www.ird.govt.nz/topics/income-tax/types-of-income/interest-and-dividends/new-zealand-tax-residents-with-interest-and-dividends-from-new-zealand-bank-accounts-and-investments/getting-an-exemption-from-paying-rwt .
Will non-individuals' interest received and RWT information be available in myIR (given they will not be receiving certificates)?	Yes this information is available on myIR to view and amend if required. If the information itself is incorrect you will need to contact the payer to check.
Will IRD provide details of use of money interest in future as part of investment income details in myIR?	Use of Money Interest detail has always been available in myIR but the actual calculation is not included.

Fees incurred in earning Investment income are tax deductible, will these flow through from the provider into the tax system too? Or do we need to manually handle these?	Fees will not be reported to us as they are not a tax. They need to be manually handled.
What happens with investment income for non-standard balance dates?	The taxpayer has to handle this manually.
Your reply to the interest and RWT deductions for joint accounts did not answer how we can check the split, if there is a split - between joint holders - if there is no RWT certificate issued by the bank? At the moment, joint IRD numbers are shown on the certificate, however, no split is made by IRD in myIR.	IR will display information provided from the bank if only one IRD number is provided then all the income will be allocated to that IRD number. Bearing in mind the current reporting using an IR15 only includes one IRD number. When the reporting is moved to Investment Income reporting requirements then we will have the required information to allocate the income. This will be done on an equal proportion and customers can correct their percentages in myIR for specified periods or leave it open from a date.
When will IRD make it mandatory for all financial institutions to report all dividend income and overseas income received through the NZ financial institutions?	This is mandatory from 1 April 2020.
Clients with Investment Portfolios - Will all of their Interest, Dividends and Overseas income get reported monthly or will they be treated as IR3 taxpayers and information left for Accountants to report on annually?	The payers of investment income including custodial institutions need to report this income information to us - this is mandatory from 1 April 2020.
Can I use my Kiwisaver balance to pay off my student loan?	No, KiwiSaver funds cannot be withdrawn to pay off a Student Loan balance.
When will IRD stop contacting clients of agents directly?	We have recently finished a review of all correspondence currently programmed to never redirect to a tax agent. This has identified some additional letters that have been programmed wrong and we are working on each letter, one by one, to fix them. We will provide more information on the Top Solutions page as each change is made.
When my provisional taxpayers (or I) look at records through myIR we see an orange alert and a statement that debts may be incurring interest and penalties. Often the tax is actually a future liability but I am aware of some taxpayers being tricked into paying early, whether by cheque or direct payment. Does IRD recognize this is a problem and when will it be fixed	When an amount is assessed to be paid an alert will show on the account to make the customer aware there is a payment required and make it easier for them to access online payment options. For income tax we recognise that the provisional tax instalments and terminal tax due date can often be a long way in the future. We have some changes planned to remove the income tax balance from the account tile, change the wording to better fit each customers situation and to separate out each of the income tax components and their due date on the income tax account Summary tab. We will update the Top solutions page when these changes have been made.
Is it possible to bring back running balances, especially in Income Tax & GST. These were quite useful to work out outstanding liabilities when compiling accounts at year end. Now we have to add up transactions either manually or in excel.	We are unable to bring back a running balance as the financials in our new system operate differently. You can find more information about this on our Top solutions page under 'Running balances'.

Are there any plans to bring in reports such as GST Returns Filed, and other customised reports, so when agents log into MyIR we can see what reports are needed.	There is reporting currently available in myIR that allows you to view details of returns, period balances and payments. You can find this under 'I want to... Manage payments and returns' from your home page. You can then apply filters by account (tax type) or period. You can filter by returns and their status or balances and status. However, this is only available against clients in your workspace. We have noted feedback on this and will explore what can be included in the future.
When are you changing the tax payment amounts on MyIR from red so clients don't think all their payments are overdue?	When an amount is assessed to be paid the balance shows as red to differentiate it from a credit amount that shows a green. The colour of the balance does not mean it is overdue, but it is an amount that will need to be paid. Customer testing of this approach shows it works for a majority of customers so we will not be changing the colour. However, for income tax, due to the different assessment components (provisional tax instalments and terminal tax) as well as the increased length of time between the assessment being created and being due for payment, we are changing our approach. We plan to remove the income tax balance from the account tile, change the wording to better fit each customers situation and to separate out each of the income tax components and their due date on the income tax account Summary tab. In effect, this will remove the red tile balance for income tax, and the income tax Summary tab is where customers will be able to see this information. We will update the Top solutions page when these changes have been made.
Will we be able to see what type of company they are? i.e LTC etc	You can see why type of company an entity is by going into the Income Tax account, 'My details' tab and then selecting 'More' under the Account registration details section.
Just to clarify, so IRD is making the losses carried forward more visible as currently you need to go to the archive section to be able to see it?	Losses carried forward for individual customers are now in myIR and can be viewed in the Income Tax period by clicking the 'More' button. We are still working on making this information also available for non-individual customers. The Top solutions web page will be updated when this is available.
When are you adding the IR10 along with the tax return?	We are still working on printing of return attachments. This is a large piece of work as we need to change every income tax return template to cover all the different types of return templates – not just the IR10. We have recently updated the IR4, IR6, IR7 (both partnership and LTC), IR8 and IR9 returns for all attachments except for some disclosure types. Once we have all attachments being printed across all the income tax return types, we will provide an update on the Top solutions page.
Why does it take so long for IRD to allocate PAYE payments from some client when they have used the correct tax type?	As PAYE transactions are still being processed according to the due dates in our old tax system, PAYE financials are being processed monthly. This means you and your clients will only see total monthly figures in myIR once the whole month has been processed. For large employers, this will be available after the 6th of the following month. For smaller employers, it will be after the 20th of the following month. Once we start processing PAYE financials in our new tax system (April 2020), transactions will be available in myIR much closer to real-time.

Will the notices of payment details for PAYE, KSR, KSE, SSC be on the same letter? E.g. Overdue notices, Summary of Account.	These details are still to be confirmed.
In the payroll summary do you date it at the date paid or the period of time that the amount relates to?	The PAYE return summary report will retrieve information based on the periods you select to run it for. The PAYE transaction report also runs based on period. They can both be run for up to 24 months of data at a time.
What is the relevance of hours paid to employees to IRD?	Hours paid is used as part of determining customers entitlements such as Working for Families tax credits and child support
Is it true that only 50% of employers are using e-filing for payday filing? How is this compliant, as we were lead to believe that all employers needed an IRD approved payroll system?	98% of employers are filing electronically. There are two digital channels available for employers, myIR and gateway (direct from their software). In myIR customers can complete their Employment Information return onscreen or upload a file created by their software.
Will there be an option to upload a CSV file or spreadsheet for payday filing when not using a payroll software system?	Yes, there is a CSV file upload option in myIR for Employment Information returns.
Can clients pay payroll tax through MyIR similar to GST or income tax payments. If not, can IRD make it available from March 2020?	With our next release (April 2020) the ability to pay by direct debit at the time of filing your return will be available for PAYE. So clients will be able to pay by direct debit at the time of filing their employment information.
Henry are advertising that they can pay taxpayers tax for them. How can that happen if current tax agent authority doesn't allow agents to make payments?	The customer must provide the authority on their account for direct debit payments, however a tax agent can pay a customer's account if the customer pays them.
Currently we can pay by direct debit for a client through myIR, are you saying this will no longer be available to tax agents ie you will take the option away	Yes, this is being removed.
I pay our PAYE, KSE, KSR etc by A/P as it does not change. But obviously I cannot change the dates every payment. What should I do?	This causes the payment to fall into error when a date is specified but following the changes in our next release (April 2020), you can remove the date and we will treat it as an account payment and simply direct it to the account - no period will be required so the AP could be updated to remove the date if there is one currently specified.
When the payroll system moves over to your new system does this also mean the payments will be allocated to the period and account specified in the DC payment we make. Presently your system seems to be allocating to any period other than the one we stipulate and causing some massive headaches.	Payments will go against the period specified.
What is happening with clients who have been charged interest on "shortpaid" provisional tax where the short payment is only due to rounding?	We are working on a fix to remove any incorrect interest in this circumstance
Do you have a link to find out more about the R&D tax incentive?	You can find out more here: https://www.classic.ird.govt.nz/research-development/rdti/ .

<p>With Ring Fencing of Rental Losses being carried forward. Will IRD be able to record those Losses C/fwd to future years when the client may have had tax to pay as an individual. As I'm uncertain where those ring fenced losses can be recorded for future years?</p>	<p>For people who file their return electronically, a new income type has been added to most of the income tax returns. Based on the information entered our system will calculate the amount of excess deductions to be carried forward for the year. This amount will be automatically included in the following years return in a new box called Excess residential rental deductions brought forward.</p> <p>People who file a paper return will manually calculate the amount of excess rental deductions to carry forward and show this on the return. When completing the following year's return they need to refer to their accounts for this amount and show it as excess residential rental deductions brought forward. The ring-fencing information provided in the income tax return is entered into, processed and stored in our system. They will need to register for myIR to view the details.</p>
<p>Can the rental loss only be offset against that particular property rental income or can it be offset to rental income from other rental properties</p>	<p>This depends on which method you choose to apply to residential rental properties under the ring-fencing rules. There are two options: portfolio basis; property-by-property (individual property) basis.</p> <p>If you choose the portfolio basis for one or more residential rental properties, deductions for all the properties in the portfolio are offset against income from all of the properties in the portfolio. Excess deductions, if any, arise when deductions exceed income.</p> <p>Excess deductions must be used against income derived from the portfolio in future income years. You cannot use excess deductions from the portfolio against the income of an individual property.</p> <p>If you choose the property-by-property (individual property) basis for a residential rental property, deductions for that individual property are offset against income from that individual property. Excess deductions, if any, must be used against income derived from that individual property in future income years. You can choose to include an individual property in a portfolio in any income year in which you take such a tax position but if you do so it can't be treated individually again.</p> <p>If you have two or more properties, you can choose to use different methods for different properties.</p>
<p>Ring-fencing rental losses, what about commercial rentals?</p>	<p>There is no change to how you calculate net rents for commercial rentals. The general rules continue to apply. The ring-fencing rules only apply to residential rental properties.</p>

<p>If rental income is derived as beneficiary income can this be offset against personal rental income received. It is not clear in the information provided in your TIB's to date.</p>	<p>A beneficiary cannot offset excess rental deductions from a trust against personal rental income.</p> <p>The ring-fencing rules apply to the trustees as owners of a residential rental property (individual property or portfolio) who are allowed a deduction for expenditure incurred for a residential rental property. The deductions that the trustees are allowed for that residential rental property are offset against the income that the trustees earn from the property.</p> <p>The trustees will generally be allowed to claim deductions up to the amount of residential income earned. Any excess deductions must be carried forward to the next income year in which the trustees earn income from residential rental properties.</p> <p>Excess deductions for a residential rental property cannot be offset against other trust income (such as interest income or business income) and cannot form part of the trust's net income or loss in an income year so can't be passed onto beneficiaries of the trust.</p> <p>If the disposal of the rental property (or all rental properties in a portfolio) is taxable any excess deductions remaining are first offset against the net income from the sale then can be used to offset other income of the trust. If there still are excess deductions these become a tax net loss the trust carries forward.</p>
<p>What if the losses have already been accepted in previous years. Can those losses still be offset against current salaries and wages.</p>	<p>If rental losses relating to a residential property have been brought forward to this year as part of a tax loss, those tax losses may still be used to offset against salary and wages. The ring-fencing rules do not affect the use of tax losses. However, tax losses will no longer include rental losses.</p>
<p>I missed the start date for the Ring Fencing of Rental Tax Losses. What date does it come in to effect ?</p>	<p>The ring-fencing rules came into effect on 1 April 2019 and apply from the start of the 2019-2020 income year. They will need to be taken into account for the 2019-2020 income tax return.</p>
<p>When all residential properties are eventually sold and there are still rental losses remaining - Will these losses then be available for offset against other income?</p>	<p>If the sale of all of the properties in a portfolio were taxable, then all excess deductions from those properties will be released from the ring-fencing rules. If the sale of an individual property was taxable, then any excess deductions from that property will be released from the ring-fencing rules.</p> <p>Excess deductions that are released from the ring-fencing rules may be used against other income, such as salary and wages or business income.</p> <p>If the sale of an individual property, or the sales of one or more of the properties in a portfolio, were not taxable, then all excess deductions remain ring-fenced until you earn residential income again. If you have another residential rental property, the excess deductions will transfer to that property, but will always remain ring-fenced, even if the property to which the excess deductions were transferred is taxable on sale.</p>

<p>The ring fencing of tax losses only relates to losses in the year commencing 1.4.2019 not to losses carried forward is that correct?</p>	<p>The ring-fencing rules apply to limit the amount of deductions you may claim for a residential rental property to the amount of income from that property. Tax losses from previous years that include rental losses are not affected. These tax losses may still be used to offset other income.</p> <p>The ring-fencing rules came into effect on 1 April 2019 and apply from the start of the 2019-2020 income year. They will need to be taken into account for the 2019-2020 income tax return.</p>
<p>If the rental property is in a company name, does the company have to hold the loss for future years until profits or does it have losses carried forward losses in the year the losses happen? What about a company that is a LTC. Does the individual shareholder get the loss in the year or have to wait/held until profits from rental property?</p>	<p>The ring-fencing rules apply to a person who is allowed a deduction for residential rental property. The rules limit the amount of deductions you can claim to the amount of income you derive from the property. If the person who is allowed a deduction for a residential property is a company, then any excess deductions are carried forward to a future income year in which the company earns residential income. The excess deductions are reinstated in the future income year and can then be claimed against the company's residential income. If the company is an LTC, the company's residential rental income and residential rental deductions are attributed to the LTC shareholders in accordance with their ownership share. The LTC shareholders must calculate the amount of residential rental deductions that the shareholders can claim for an income year against their own residential rental income and the residential rental income attributed to them from the LTC. The LTC shareholder must carry forward any excess deductions to a future income year in which they earn residential income. In summary, the ring-fencing calculation is performed by the company (or a trust). However, for transparent entities such as LTCs and partnerships, the shareholder or partner must perform the ring-fencing calculations.</p>
<p>Losses from Ring Fenced Rental properties. Will IRD record these for future years when the client may have other tax payable? As new clients coming to agents may not have records of prior year ring fenced losses</p>	<p>The ring-fencing information entered in an income tax return is stored in our system. Each year the excess deductions will be carried forward until extinguished or the account is closed. Once an agent is linked to the client, they will be able to see the carried forward amount in the client's income profile.</p>

Will residential rental and home stay losses incurred by Loss Attributing Company no longer be deductible against salary income of shareholders to whom they have been allocated?	<p>By “Loss Attributing Company”, it is assumed that the question is referring to Look-through Companies (LTCs).</p> <p>The ring-fencing rules will apply to deductions for residential rental properties held by a LTC. In this situation, the residential income and deductions are attributed to the LTC shareholders in accordance with their ownership share. An LTC shareholder’s share of the LTC’s residential income and deductions are added to the residential income and deductions of the LTC shareholder (if any). The ring-fencing rules will apply to limit the amount of deductions for residential rental property that the LTC shareholder can claim to the amount of residential income that the shareholder LTC earns (either directly or through the LTC).</p> <p>The ring-fencing rules will likely not apply to home-stay losses. This is because if the homestay falls under the mixed-use asset rules, then ring-fencing rules don’t apply. If the homestay isn’t a mixed-use asset, then it is likely to be either the person’s main home or business premises. In both those situations, the ring-fencing rules will not apply.</p>
In ring fencing : A property has incurred losses during the years and is sold as a loss, so accumulated losses can be carried forward to another investment property if investor wishes to buy. What if the investor does not want to continue in investment activity? Will the losses be lost or does IRD has some provision for relief?	<p>There is no provision for relief if the person has remaining excess deductions after selling all their residential rental properties and no longer invests in residential rental property. In this situation, the excess deductions continue to be carried forward and cannot be used until the person earns residential income. Loss on disposal of residential properties have not changed, of it is a taxable disposal then the loss can be claimed in the year of disposal.</p> <p>For more information about the aims of the new rules, see Tax Information Bulletin Vol 30, No 8, September 2019, from page 53.</p>
How do we request a short process ruling?	You can apply in myIR or on www.ird.govt.nz . More information can be found at: https://www.ird.govt.nz/short-process-rulings .
If employee onboarding is done via third party payroll software such as Xero, how will the Tax Code check happen?	Our new system runs validation checks on tax codes that enter our system regardless of the entry point.
Does IRD believe they have given software providers sufficient time to re write programmes, test them and release by April 2020?	We work really closely with the software providers, we provide them with the specifications and documentation that they will need to build the right platforms for the changes that we are implementing. So they are well aware of the changes that they will need to make from their end. Not all changes will be required to be made by April 2020, so the gateway service (e-file service) will continue for another couple of years as we are giving them time to transition across. We are working with the providers to get a delivery timeframe that suits their business.
When will the Assessed status for filed GST returns be received by e-file providers?	E-File will generally issue a “Notice” or “Return Acknowledgement” upon the return being processed in our system. You should contact your E-File provider if you find cases where the return assessment status has not been sent back through E-File. There are scenarios where neither are sent, and your provider can help you navigate this.

I use MYOB and my alerts show a lot of clients which shows the figures do not agree with IR. When is this going to be resolved?	It is difficult to answer this question without knowing which data has a variance, we do know that provisional tax outcomes are differing between Inland Revenue and software. Inland Revenue have advised that the tax agent/customer use the data provided by their software package rather than Inland Revenue when making payment.
With your new "digital services" are you planning to get rid of efile? How will this work with large tax databases of returns?	We will be decommissioning E-file in future and have been working with the Software providers who utilise E-file to understand the needs of their customers as they transition across to new services. The Income Tax Return Service via Inland Revenue's gateway has been built to handle large volumes.
So is the gateway for lodging tax returns not effective from 1 April 2020?	Some software providers may have this service available for April 2020 but it is not mandatory and E-file is still available to file returns at this time.
When is efile being switched off?	We are working with the software providers to be moved off E-file in time for March 2021
Will you consider an online facility to upload digital copy of invoices / receipts supporting major deductions claimed.??	We are currently working with software developers on a document service to work in conjunction with the returns service. There is already functionality in myIR to upload digital copies of invoices and returns to support returns filed through this channel.
Is it going to be made possible to file a nil RWT return via e-file? It currently asks for investor details for the return.	Inland Revenue will not be adding any other return types or functionality to E-file as it is to be decommissioned.
You mentioned IRD is working closely with software developers [we use MYOB and Xero] and you indicated in the webinar the effective change dates. Will we, or our clients be penalised if for any reason the software developers have not been able to complete the implemented changes on time. I'm sure this would increase administration on us to.	As part of working closely with software providers, we are also mindful of the resulting change impacts and are working towards minimising (as much as possible) the disruption to tax agents when it comes to assisting your clients with meeting their tax obligations, in particular, return filing.
Will we have visibility of all transactions in a client's student loan?	We are still working through the detail for the transactions for student loan and what that will look like, but whatever a customer can see in terms of transactions for a student loan, you will also be able to see as their tax agent, as long as you're linked for Student Loans.
Student Loan Credits - I thought they could not get these refunded at present - Is this correct?	Currently, if you've overpaid your Student Loan assessments for a tax year, you can receive a refund (provided you don't have overdue Student Loan amounts for another tax year). However, you need to contact IR within 6 months to request the refund.
Will immigration be auto sharing info with IRD re travel in/out of NZ?	IR has an existing information matching agreement with NZ Customs. This is the basis of the travel movement information we use to determine whether a customer is overseas-based or NZ-based for student loan purposes.
With student loan - is it envisioned that it be possible to see real-time balances - at the moment if I want to know my balance I either have to call or work it forward from my last statement	myIR currently shows your loan balance now. IR will continue to show up to date loan balances based on the information held.
Would we have the ability to change travel dates if they are not accurately shown on MyIR?	If for any reason the travel movement information appears incorrect, customers will need to advise us via Secure mail. This information will not be editable in myIR.

<p>We currently have issues where IRD change the tax code for individuals on pension. Accountants should be able to determine what individuals tax code is as we know more about their situation.</p>	<p>As part of our plan to simplify the tax system for all customers, we've recently sent out letters and e-mails to those we think might be on the wrong tax code. Our aim is to make sure they are having the right amount of PAYE deducted from their income. We also notified employers and the Ministry of Social Development (MSD) if the PAYE being deducted was from a benefit or pension.</p> <p>We've received feedback from many tax agents with customers who are using secondary tax codes on their New Zealand Superannuation from MSD. We're listening to this feedback and are reviewing our process of advising these customers and MSD that a tax code change is required. We will not advise MSD to change the tax codes for these customers from secondary to M. MSD will also not be making any changes for customers who have previously received a letter until this review has been complete. We'll update you via the Top Solutions Page once we have more information.</p> <p>If you've applied for a tailored tax code already, this will stay in place and you won't need to make any more changes for the current financial year. If the tailored tax code you're on is no longer suitable, you can complete a Tax code declaration – IR330 to change this. If you need to apply for a tailored tax code, you can do so in myIR.</p>
<p>IRD has issued letters direct to my clients claiming they have an incorrect tax code. Does IRD accept this is an error? If so why is it not reported under either current or resolved issues?</p>	<p>We're aware of the issue where these letters were sent directly to employers and customers, rather than following the tax agent redirect. We have fixed this so that it is now sent to tax agents instead of their clients.</p>
<p>When we file rebate returns and advise credit to be transferred to income tax liability, this is not picked up by IRD at this stage, when will this be rectified?</p>	<p>There is currently a time limit for credit transfer requests to be actioned. If there is a delay in the return being posted it can result in the credit transfer time limit being exceeded. We are looking to have the timeframe extended to rectify this.</p>
<p>If a taxpayer has a WfFTC repayment liability for March 19 can they use the current weekly option to pay that off?</p>	<p>Currently a principal child carer receiving weekly Working for Families Tax Credit (WfFTC) payments cannot use this to offset amounts owing to IR. From Release 4 your client will be able to request this, but only for WfFTC amounts owing where there is an amount assessed to be paid (e.g. It doesn't have to be overdue).</p>
<p>Can WfFTC if paid as lump sum at year end still be able to pay partners income tax bill ?</p>	<p>You can still request transfers of Working for Families as long as the credit is available (e.g. hasn't been used to offset overdue amounts) and you have authority to act for the principal child carer.</p>
<p>Why is WfFTC not being offset against income tax - currently gets refunded direct from WfFTC.</p>	<p>An issue has been identified where the Income Tax or Working for Families credit is not offsetting the corresponding debit, we are currently investigating this issue.</p>