

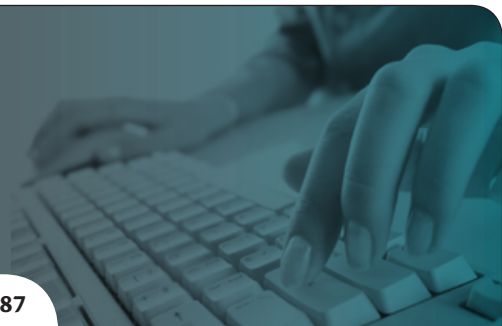
AGENTS ANSWERS

Inland Revenue's tax agents' update



Inland Revenue
Te Tari Taake

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REMINDERS

We have several calendars you can use to plan ahead to help you meet your obligations. Remember that if a due date falls on a weekend and public holiday, we can receive your return and payment on the next working day without a penalty being applied.

If you have any suggestions for topics you'd like covered in this newsletter, email agents.answers@ird.govt.nz

Our key services will be unavailable

Reminder that our key services will be unavailable between 3pm Thursday 18 April and 8am Friday 26 April 2019.

During this time you won't be able to access myIR or contact us through our contact centres. Our offices will also be closed.

To find out what this means for myIR, filing dates and payments, check out ird.govt.nz/serviceupdate

All employers must be payday filing from 1 April

Many employers will be payday filing for the first time in April. Remember that they'll still need to file their March EMS and EDF. And from now onwards, all employers must send us information every payday.

The due date for payment remains the same at the 20th of the month (or 5th and 20th of the month for twice-monthly filers).

For help, guides, videos and checklists check out ird.govt.nz/payday

Webinars & seminars

Our seminars for tax agents take place all over New Zealand in the first two weeks of April. There may still be places available in a location near you. You can find out about the presentations by going to ird.govt.nz/payday

If you can't make it in person, we're hosting a webinar version of this presentation on 8 April. Register to watch live or on demand at cchlearning.co.nz

New Inland Revenue website goes live 25 April

Our new website will go live as part of our next transformation release in April 2019. Featuring a modern new-look homepage, the new site will also initially present child support, Working for Families and income tax content in a crisper, more accessible style, as tested on the beta test site.

The remainder of the current Inland Revenue website's content will be updated, tested, and incorporated into the new site over the coming year. The greatly-improved site navigation, layout and global search will allow you to easily get around and search for content across the two sites during this time.

Other features of the new site include:

- shorter content and fewer pages
- the ability to navigate content by role, situation, topic or task
- a responsive design allowing you to view the site on any device
- an improved online experience for those who are visually impaired.

If you have bookmarks or links to child support, Working for Families and income tax pages on the current Inland Revenue website, there is a small chance these may break when the new site goes live, or redirect to other pages. You may need to re-establish these when the new site goes live.

New ACC levies set

The ACC levies have been set by regulation for the 2019-20 and 2020-21 tax years.

For both tax years the earners' levy remains the same at \$1.39 (GST-incl) per \$100 liable earnings. The minimum liable earnings for self-employed workers increases from \$32,760 to \$34,320.

The maximum liable earnings will increase for:

- self-employed people from \$124,053 to \$128,470 in the 2019-20 tax year, and to \$130,911 in the 2020-21 tax year.
- employees and private domestic workers from \$126,286 to \$128,470 in the 2019-20 tax year, and to \$130,911 in the 2020-21 tax year.

Amending assessments

The criteria for self-correction of errors in a later income tax, FBT or GST return under section 113A of the Tax Administration Act 1994 has, from 18 March 2019, been replaced with a combination of a monetary threshold and a materiality threshold.

The current threshold of \$1,000 now applies without qualification.

Taxpayers now have the option of correcting an error in a subsequent return, provided the purpose isn't to delay the payment of tax, when the error results in a difference of tax to pay that is equal to or less than the lower of:

- \$10,000 of their annual gross income (i.e. turnover) or GST output tax (as applicable), and
- 2% of their annual gross income (i.e. turnover) or GST output tax (as applicable).

When preparing their 2019 income tax return a company discovered that some transactions had been coded incorrectly resulting in \$7,500 income being missed from their 2016 income tax return. The gross income (sales) returned on their 2016 income tax return was \$400,000.

1. As the tax on \$7,500 is more than \$1,000 ($\$7500 \times 28\% = \$2,100$) they can't automatically correct the error in their 2019 return.
2. The amount of income is less than \$10,000 and less than 2% of \$400,000 ($\$400,000 \times 2\% = \$8,000$) so the new thresholds can be used to include the income missed from the 2016 return in their 2019 return.



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