

# BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



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

## Key services unavailable in late April

In late April we'll make improvements to our systems to help make income tax more straightforward for you in the future.

myIR Secure Online Services, our phone lines and offices will be unavailable from 3pm, Thursday 18 April to 8am, Friday 26 April while we make these changes.

Are you an employer? Plan ahead and file your March *Employer monthly schedule (IR348)* before we close at 3pm on 18 April.

## ir-File will be discontinued on 11 March

The ir-File service in myIR will be discontinued on 11 March. If you're still filing monthly schedules after 11 March you must use the 'payroll returns' account in the My business section of myIR to file EMS and employer deductions.

### IMPORTANT: myIR owners need to delegate access to others

You can find out more on our website at [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: ir-File electronic).

## Payday filing is here for all employers

The law has changed so you must start payday filing from 1 April 2019. You can start filing from your first payday in April using the payroll returns account in myIR. Remember - our services will be unavailable, so we recommend you file your *Employer monthly schedule (IR348)* EMS for the March period before 18 April.

You can find videos, guides and more information on payday filing at [www.ird.govt.nz/paydayfiling](http://www.ird.govt.nz/paydayfiling)

## Changes to myIR

From 26 April 2019 changes will be made to myIR Secure Online Services. The myIR home page will look different - it'll be similar to how the My Business section looks now. You'll also be able to file, pay and amend your business income tax through myIR.

## Refunds from ACC for overpaid levies – tax obligations

If you were in your first year of self-employment between 2002 and 2017, or paid provisional ACC levies after ceasing trading, ACC may owe you a refund.

Customers getting refunds may also be paid compensation by ACC. The refund process should be complete by 31 March 2019.

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## Tax obligations

If you claimed the levies as a deduction, the refund is income. You should include this income in the tax year you received the refund. For most it will be the 2019 tax year.

For example, include a refund you got on 15 March 2019 in the 2019 income tax return (31 March balance date). You don't have to pay tax on any compensation paid by ACC in relation to these refunds.

## For more information

For more information and updates about ACC levy refunds go to **acc.co.nz**, call 0800 222 776, or email **business@acc.co.nz**

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## 2019 National standard costs for specified livestock determination

We've recently published this determination. It applies to any specified livestock on hand at the end of the 2018 - 2019 income year where the taxpayer has elected to value that livestock under the national standard cost scheme for that income year.

You can find the determination on our website at **www.ird.govt.nz/technical-tax/determinations/livestock/national-standard/livestock-nationalstandardvalues-2019.html**

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## Tax implications of working for accommodation

A business owner (like a farmer, restaurant owner, or someone in the accommodation business) who provides accommodation to workers in return for them carrying out tasks should be aware that there could be income tax, GST and other implications of providing that accommodation.

For example, the value of accommodation may have to be treated as salary or wages for the worker and, for owners of commercial dwellings like hotels, hostels or camping grounds, there will be GST on the supply of the accommodation.

It is especially important for businesses in industries like farming, hospitality and tourism who engage students, backpackers and other casual workers for seasonal or short-term arrangements to be aware of this issue.

You can find out more on our website about:

- determining who is an employee
- the market rental value of the accommodation
- expenses that might be deductible to the business owner
- the possible GST that might be payable by the business and worker, and
- other relevant issues that may need to be considered.

To find out more go to **www.ird.govt.nz** (search keywords: tax implications accommodation).

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## Plastic bag ban 1 July. Are your customers asking for less packaging and waste?

As of 1 July, the Government have announced a mandatory ban on single-use plastic shopping bags. The ban covers all retailers and means you will no longer be able to provide customers with a single-use plastic shopping bag.

Mainstream supermarkets have already made the shift away from plastic shopping bags. The new ban will cover all retailers, from dairies, takeaway shops and retail chains to local markets.

### Are you finding that your customers want less waste? We are.

According to our research,\* New Zealanders rate the need to reduce waste as the second biggest issue facing our country.

The move away from plastic shopping bags could help your business show your customers your shared commitment to reducing waste and protecting our environment.

Already, 91% of New Zealanders say they always or often bring their own bags rather than grabbing a plastic bag when shopping.\*

In fact, over 40% of New Zealanders would go so far as to pay more to avoid waste.\*

For more information about the single-use plastic shopping phase out (including which bags are banned) please visit **www.mfe.govt.nz** (search keywords: plastic-bag-phase-out).

\* Ministry for the Environment's Environmental Attitudes research – September 2018