

# BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



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## REMINDERS

We have several planning calendars to help you meet your obligations. Remember that if a due date falls on a weekend or public holiday, we can receive your return and payment on the next working day without a penalty being applied. But for provincial anniversary dates, this only applies if you're in the province celebrating the holiday, and only if you usually make tax payments over-the-counter at Westpac.

*If you have any suggestions for topics you'd like covered in this newsletter, Email [BusinessTax.Update@ird.govt.nz](mailto:BusinessTax.Update@ird.govt.nz)*

## COVI-19 Update

Inland Revenue will write-off any penalties and interest for businesses unable to pay taxes on time due to the impact of COVID-19. Don't worry about contacting us right now. Get in touch with us when you can.

We're working hard to provide essential services for business and individual customers during this stressful and difficult time. Payments, including Working for Families customers, will still be made.

To help get correct payments to people we would like employers to still file their returns as normal. This helps us work out the right amounts for people and helps the Government continue to respond to what is happening in the economy.

### Contacting IR

During the lockdown our phone services will be severely limited and the most effective way to contact us, will be online and through myIR. Within Inland Revenue, all front office services are now closed and almost of our staff are working from home.

Inland Revenue is still working on all critical matters related to tax entitlements and payment obligations. We know these are matters causing real stress and uncertainty and we are working urgently to provide as much certainty as quickly as we can.

Please use our online services to contact us – preferably through your myIR account.

### Wage subsidies

The Ministry of Social Development (MSD) is the government organisation responsible for the administration of the wage subsidy. Any questions relating to how and when it is administered should be referred to MSD.

There is more detail at Work and Income.

Inland Revenue has some tax-related guidance for employers about the wage subsidies.

It is important employers pass on the wage subsidies to workers and process them as part of the employee's normal wages.

All deductions (such as PAYE, KiwiSaver and child support) should be made as normal. If the total wage (the subsidy plus the employer funded pay) amounts to the same wages as previously, the pay and deductions on their payslip should be the same.

Employers won't be liable for income tax or GST on the subsidy received from MSD and will not be entitled to an income tax deduction for wages paid out of the wage subsidy.

### Payment options

As we've already said, if a business is unable to pay its taxes on time due to the impact of COVID19, we will understand. Get in touch with us when you can and we'll write-off any penalties and interest.

*(continued on next page)*

But if a business can pay there are several options - with internet banking or using myIR are the easiest. Businesses can also make credit card or debit card payments over the phone or set up direct debit payments through their myIR account.

### **For further details on alternative ways to pay**

Only some Westpac branches will be open one day a week, on a Wednesday, during the COVID-19 lockdown. Customers who can pay their tax bill at their local Westpac branch will be unable to do so until they can visit a branch on it's open day.

### **Instalment arrangements**

We're enabling more flexibility and lowering the threshold for instalment arrangements set up in myIR.

The new minimum repayment rates are: - Weekly \$20 (previously \$50). - Fortnightly \$40 (previously \$100) - Monthly \$80 (previously \$200).

### **Compliance activity**

At Inland Revenue, we recognise this is a concerning time for tax agents and customers and we want to support you wherever we can through any current audits or disputes. We know you're under a lot of pressure and uncertainty currently, and we want to work with you on a case by case basis.

This may be by delaying the progress of an audit or dispute for a period.

### **Extension of time**

Inland Revenue has decided to extend the timeframe for filing Basic Compliance Packages (BCPs). The new due date is 30 June 2020. Please forward any questions about this to [bcp@ird.govt.nz](mailto:bcp@ird.govt.nz)

### **Information sharing**

In these extraordinary circumstances, Inland Revenue is now required to operate very differently. IR holds a lot of information that may enable other government agencies to reach those who need assistance the most and the Government has recently passed legislation allowing us to share certain information.

We are putting in place safeguards to ensure any information we share is kept safe. We will share only enough information so other agencies can provide the relevant relief and assistance. Any information received by the other agency will not be able to be used for other initiatives outside of COVID-19.

### **Thank you**

We're working hard to provide businesses and tax agents with as much certainty as we can, as quickly as we can. Thank you for your patience in what is a difficult time for all New Zealanders.

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## **New 'how to' video for payday filing: myIR - onscreen entry method**

We've created a new 'how to' video for employers using the myIR onscreen entry method for payday filing.

Check it out at [ird.govt.nz/fileonscreen](https://ird.govt.nz/fileonscreen)

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## **Check out beta version of Tax Technical site now**

We're building a new Tax Technical website to help people find tax technical answers quicker.

A beta test version of the site is now available from the main Inland Revenue website. We encourage you to visit, familiarise yourself with the new look and feel, features and layout.

You can also provide comments on the site by using the feedback button on each beta page. Feedback we receive will help us to improve the site before the first release, likely to be in late April.

We'll continue to improve the site in stages throughout 2020.

## Key services unavailable

Starting 3pm Thursday 9 April, we'll be making system changes to make tax more straightforward. This includes improvements to myIR, student loans, KiwiSaver and more.

From 3pm this Thursday 9 April to 8am Thursday 16 April, myIR will be unavailable and our offices and phone lines will be closed.

Please note: If you have draft returns or draft secure mail in myIR, these will be deleted. Be sure to complete these before 3pm on Thursday 9 April so you don't lose them.

Thank you for your patience while we make these improvements.

Visit [ird.govt.nz/service-update](https://ird.govt.nz/service-update) for more information.

## Support available after changes are completed

Once system changes have been completed and services are back online, there are several ways you can find information and get in touch.

- Visit our website at [ird.govt.nz/employers](https://ird.govt.nz/employers)
- Watch our webinars at [ird.govt.nz/webinars](https://ird.govt.nz/webinars)
- Sign up for our newsletters including Transformation News
- Connect with us on social media:
  - LinkedIn
  - Facebook
  - Twitter

Alternatively, if you'd like to get in touch, visit [ird.govt.nz/contact-us](https://ird.govt.nz/contact-us) for more information.

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## We're switching off the old KiwiSaver website

Over the last year and a half, we've been working to improve our website, by rebuilding it on a modern and enduring platform so we can give our customers a great online experience. With most content now on our new site, we're nearing the end of this journey. To complete this process, we're working to switch off the heritage website and subsites in the coming months.

On 1 April, we switched off **KiwiSaver.govt.nz**

Last September we started testing re-written KiwiSaver content on our main site. After reviewing testing and customer feedback we're confident this new content meets the needs of our customers.

To ensure you will still get to the new KiwiSaver material when you click on an old URL, we're providing temporary redirects for several months.

## Set up new links now

We suggest you visit and set up new links and favourites to pages you may refer to or visit often.

Remember, the links you have set up to content on the old subsite won't work, or will only temporarily redirect you to the new content.

You can find the new KiwiSaver site at [www.ird.govt.nz/kiwisaver](https://www.ird.govt.nz/kiwisaver)