

BUSINESS TRANSFORMATION

November 2019

Latest news about Inland Revenue's
transformation



Register for Inland Revenue's webinars

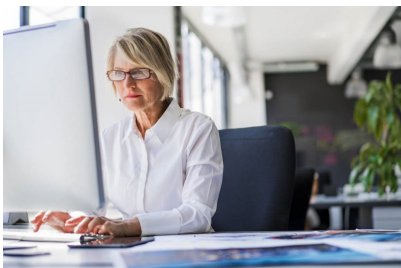
We've kicked off a series of webinars to provide more information on upcoming tax changes and we invite you to join our next session.

On **27 November 2019 from 2:30pm - 3:30pm** we will share more information on:

- What changes are coming for employers, including:
 - A single employer account in myIR for all your transactions and obligations
 - Consolidation of employer notifications
 - Improvements to employee on-boarding process.
- Reporting changes for payers of investment income

[Register for our webinar today.](#)

If you're interested in future sessions or want to view previous webinars on demand, visit our website ird.govt.nz/webinars.



Moving away from cheques

As you have likely heard, from 1 March 2020 we will stop accepting payment by cheque, including cheques dated after 1 March 2020.

In preparation for this change we have drafted changes to our standard practice statement. You can have your say on the proposed change by going to our website ird.govt.nz/public-consultation/current and downloading ED0221.

The consultation period closes on **13 December 2019**.

Paying over the counter at Westpac - mandatory barcodes

Customers can choose to pay their taxes over the counter at a Westpac branch/smart ATM even if they don't bank with Westpac. From 1 July 2020, all payments at Westpac must be accompanied by a barcode. The barcode is a more reliable way of passing your details to Westpac and will prevent your payment going to the wrong place in the account, or potentially even the wrong person's account.

We are adding barcodes to notifications where we're requesting you to make a payment. If you misplace your barcode, you can generate one using the [barcode generator on our website](#). You will need your IRD number, the tax type and the period of the payment. You can then either print it off or show it to Westpac staff on your phone.

Residential property changes - ring-fencing rental losses

From the 2019-20 income year onward, new rules apply to deductions claimed for residential properties. Residential property deductions will now be ring-fenced, meaning that they can only be used to offset income from residential property. This means that the residential property deductions you claim for the year cannot exceed the amount of income you earn from the property for the year. Any excess deductions ("rental losses") will be carried forward from year to year until they can be used. You can no longer use excess deductions from your residential property to off-set other income, such as salary and wages.



We're introducing changes for the 2020 tax returns which will allow our system to calculate the amount of excess deductions to be carried forward for the year. This amount will be automatically included in the following year's return in a new box called "excess residential rental deductions brought forward".

If you file a paper return, you will need to manually calculate the amount of excess rental deductions to carry forward and show this on your return. When completing the following year's return, you'll need to refer to your accounts for this amount and show it as excess residential rental deductions brought forward.

Visit our website to find out more about residential property changes: ird.govt.nz/ring-fencing

Factsheets available in te reo Māori

The following factsheets are now available on our website in te reo.

[Moving away from cheques](#)

This factsheet outlines the range of alternative payment options to choose from and answers some Frequently Asked Questions.

[Investment income reporting](#)

This factsheet highlights the changes to the way we collect and use investment income information.



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