

BUSINESS TRANSFORMATION

October 2019

Latest news about Inland Revenue's
transformation



Upcoming webinars

We've kicked off a new series of webinars about the changes in Release 4 and invite employers and not-for-profit organisations of all sizes to attend our session on **6th November 2019 from 2:30pm – 3:30pm**. This will provide a **high-level overview of what's changing** and how it may affect you. [Click here to register.](#)

We're also running a session on **27th November from 2:30pm – 3:30pm**, to provide more **information on PAYE and investment income changes**. We encourage employers, not-for-profit organisations, tax agents and bookkeepers to attend this session. [Click here to register.](#)

If you're not free at these times and would like to watch them On Demand in your own time, register for the webinar, and we'll send you the link after the session.

Alternatively, the webinar will be available On Demand on our website a day or two after the webinar has taken place.

If you'd like to find out more about future webinars, visit [our website](#) to view the topics or register.

Investment Income – what's changing in April 2020

From 1 April 2020, Inland Revenue is making changes that will affect investment income payers and recipients. Investment income includes interest, dividends, PIE income, taxable Māori authority distributions or royalties.

What this means for payers



More frequent reporting of investment income becomes mandatory. It will be due by the 20th of the month following the month the income was paid. Some organisations may begin this reporting prior to 1 April 2020.

Reporting will need to be done electronically. There are different options for doing this.

- Manually uploading a csv file through myIR (the most common method). Find out more at: www.ird.govt.nz/myir-file-upload-investment-income.
- Completing an on-screen form available through myIR. This is suitable for low volume filers (up to 2000 lines).
- Directly through IR's Gateway Services. This is suitable for large volume filers. Find out more at: www.ird.govt.nz/investment-income-reporting-gateway-services.

Reporting will not be required for:

- nil returns (if no income is paid in a month)
- resident withholding tax (RWT)-exempt investors.

You will need to provide additional information, where held - the date of birth and contact details of the recipient; and details of any joint account holders.

The non-declaration rate increases to 45% for RWT on interest income when a recipient does not provide their IRD number to the payer.

Administrative changes include:

- There is no longer a requirement to issue end of year RWT on interest certificates to recipients who have provided their IRD number.
- An electronic RWT-exempt status register will replace RWT-exempt certificates.
- Error-correction processes will be improved.
- Additional record keeping will be required for the payment of non-resident withholding tax (NRWT).

You can find more information at www.ird.govt.nz/investment-income.

Recipients - key things to know and do

Provide your IRD number to your investment income payer (e.g. your bank) to ensure you're on the right tax rate and to avoid the non-declaration rate.

When your income investment payer has moved to the new reporting regime, we will split any investment income reported for an account equally across all the joint account holders who have provided their IRD numbers to their payer. You can change this allocation through myIR on our website (or on your income tax return).

From 1 April 2020, if you have an RWT exemption certificate, you won't need to show it to your payer as your IRD number will be included on the new RWT-exempt status register.

myIR provides information on your investment income.

Visit [our website](#) to learn more.

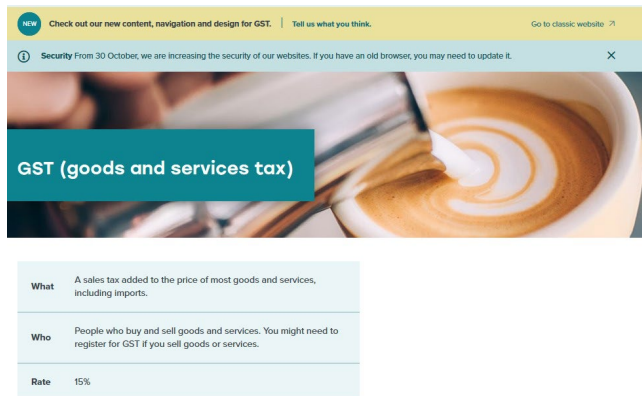
Short-process rulings

You can now apply for a short-process ruling for your clients. Short-process rulings are a new way to get a binding ruling on how a tax law applies to a situation. They are quicker and less expensive than private rulings, which means that more people can get certainty on how tax rules apply to them. This new service doesn't replace private rulings – which are still available if you cannot use the shortened process.

Short-process rulings are only for individuals and organisations with annual gross income of \$20 million or less in the last tax year. The application must relate to a situation involving tax (excluding provisional tax), duty or levy of less than \$1 million.

Applications can be made through myIR, or on our website. The whole process will take about 6 weeks until we come back to you with our initial view, and costs \$2,000 (including GST). When the ruling is finalised, it will tell you how the tax law applies to the situation and what conditions apply.

For more information go to our website: www.ird.govt.nz/SPR



What	A sales tax added to the price of most goods and services, including imports.
Who	People who buy and sell goods and services. You might need to register for GST if you sell goods or services.
Rate	15%

GST content on our website

Beta testing continues on the IR website with [GST content now available](#) for your feedback. We'd really like you to take a look and let us know if it's hitting the mark.

The GST beta content builds on the earlier content we've tested, most recently [Student loans](#) and [KiwiSaver](#) material. It will be available in beta for several weeks, and you can provide your feedback by clicking on the 'Tell us what you think' link in the Beta banner

on each relevant page.

If you want to compare the beta content to the old content, you can still access that content on our old 'classic' site during beta testing. Select the 'Go to classic website' link that shows on each beta page we're testing.

