



Inland Revenue
Te Tari Taake

IR9G
March 2025

Clubs or societies return guide 2025

Read this guide to help you fill in your IR9 return.

Complete and send us your IR9 return by 7 July 2025, unless you have an extension of time to file - see page 4.



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The information in this guide is based on current tax laws at the time of printing.

Contents

| | |
|---|-----------|
| ird.govt.nz | 2 |
| How to get our forms and guides | 2 |
| Introduction | 4 |
| Who has to file a return? | 4 |
| Return due date | 4 |
| Questions | 5 |
| Q 2 Club or society's name | 5 |
| Q 3 Postal address | 5 |
| Q 6 Bank account number | 5 |
| Q 8 Incorporation | 5 |
| Q 9 Has the club or society ceased? | 5 |
| Q 10 Income and expenses from residential property | 6 |
| Q 11 Interest incurred from residential property | 13 |
| Q 12 Income from taxable property sales or disposals | 15 |
| Q 13 Friendly societies | 16 |
| Q 14 Exempt income | 16 |
| Q 15 All other clubs and societies | 17 |
| Types of income for organisations - Q14 and Q15 | 17 |
| Q 19 Net losses | 22 |
| Q 21 Tax calculation | 22 |
| Box 21GG Residential land withholding tax (RLWT) credit | 23 |
| Q 22 Refunds and/or transfers | 24 |
| Q 23 Initial provisional tax liability | 26 |
| Q 24 2026 provisional tax | 27 |
| Not taking reasonable care penalty | 28 |
| Interest | 28 |
| Election to be a provisional tax payer | 29 |
| Change in balance date | 29 |
| Tax pooling | 29 |
| Payment dates | 29 |
| How to make payments | 30 |
| Late payment | 30 |
| Self-assessment by taxpayers | 31 |
| Services you may need | 32 |
| Need to speak with us? | 32 |
| 0800 self-service number | 32 |
| Privacy | 32 |
| If you have a complaint about our service | 33 |

Introduction

The questions in this guide follow the same numbering as in your return.

If you need more help, read these guides:

- **Charitable and donee organisations - IR255**
- **Education centres - IR253**
- **Provisional tax - IR289.**

Who has to file a return?

All New Zealand clubs and societies must complete a tax return each year unless they derive only exempt income.

If your organisation has a certificate of exemption from RWT (resident withholding tax) on interest and dividends this does not mean your income is exempt income. Contact us if you're not sure whether your club or society is required to complete a tax return.

If we've sent you a taxpack but your organisation is tax exempt, contact us so we can update our records.

If your club or society's income is not exempt but the organisation did not have income that was liable for income tax during the tax year from 1 April 2024 to 31 March 2025, just fill in:

- page 1 of the return, and
- the declaration on page 5.

All other organisations must complete all parts of the return.

Return due date

If the club or society has a 31 March balance date, you have until 7 July 2025 to send in the return, unless you have been granted an extension of time. If you have a balance date other than 31 March the return date may be different. Contact us if you're not sure of the filing date.

If the club or society is the client of an agent, you may have until 31 March 2026 to complete the return. Contact your agent for more information.

Questions

Question 2 Club or society's name

If the club or society has changed its name since the last time a return was completed, please provide proof of the name change details so we can update our records.

Question 3 Postal address

If you have a new postal address, write the details at Question 3. If your new postal address is a PO Box number, show your box lobby, if you have one. If you're unsure of your box lobby please contact New Zealand Post.

Leave this address panel blank if the club or society uses its tax preparer's postal address. The tax preparer will let us know if they change their address.

Question 6 Bank account number

The fastest and safest way to get any refund is to have it direct credited to your club or society's New Zealand bank account or other deposit account, for example a building society account. If your club or society's bank account number is not preprinted on the return form, include it at Question 6.

If your suffix has only 2 numbers, enter them in the first 2 squares of the suffix box.

Question 8 Incorporation

An organisation can be incorporated under New Zealand legislation, such as the Incorporated Societies Act 1908, Companies Act 1993 or the Charitable Trusts Act 1957. An organisation may also be incorporated under foreign legislation.

Make sure you complete this box as different tax rates apply for incorporated societies. See page 22 of this guide.

Question 9 Has the club or society ceased?

If the club or society has ceased, include a set of accounts (if accounts are required) to the date the organisation ceased.

If the organisation is registered for GST, or as an employer, you will need to complete a **Business cessation - IR315** form to finalise your records.

Question 10 Income and expenses from residential property

This question applies to owners of residential property, including overseas property, that have:

- income subject to the residential property deduction rules
- net income (profit) from a bright-line sale
- income in relation to a loan in a foreign currency
- depreciation recovery income from disposed assets
- net income from the taxable disposal of a residential property outside the residential property deduction rules because it is held on revenue account.

Residential property deduction rules

Most residential rental properties are subject to the residential property deduction rules (also known as the ring-fencing rules). When they apply, your residential rental deductions generally cannot be more than your residential property income.

If your deductions are more than your income, the difference must be carried forward to the next year you earn income from your residential property, including income from properties held on revenue account.

Any rental income or loss and net income or loss from a taxable disposal is fully excluded from the rules if the property is:

- property subject to the mixed-use asset rules (for example, a holiday home rented out part-time and not used for at least 62 days in the income year, or 62 working days in the income year if it's usually only used on working days), or
- certain employee accommodation.

For these types of property, any rental income or loss is shown at the applicable Box 13, 14C or 15C and net income or net loss from a taxable disposal shown in Box 12.

Any rental net loss and net loss from a taxable disposal is partially excluded from the rules if it is for:

- property that will always be taxed on sale, being revenue account property of a person in the business of building, developing or dealing in land, or
- other revenue account property the person has notified us they want the exclusion to apply to.

For these types of property any rental net loss is shown at the applicable Box 13, 14C or 15C and taxable disposal net loss shown at Box 12.

The residential property deduction rules also apply if you borrowed money to acquire an interest in certain entities that have significant rental property holdings - a residential land-rich entity - and you have interest expenditure on the borrowed money.

Residential land-rich entity - a close company, partnership or look-through company that holds more than 50% of its assets by value in residential land, directly or indirectly. These entities come under the interposed entities rules as part of the residential property deduction rules.

For more information about the interposed entity rules, see page 60 of the **Tax Information Bulletin Vol 31 No.8 September 2019**.

Read our **Rental income - IR264** guide for more information on:

- when the rules apply
- how to calculate your income
- the amount of deductions you can claim this year, and
- the amount of any excess deductions that must be carried forward.

Completing your return

You will use question 10 to record residential income and deductions that are subject to the residential property deduction rules.

Tick the method you have used to calculate your residential property income and deductions.

You can use 1 of the following methods:

- **Portfolio** basis - combine income and deductions for all rental properties in the portfolio.
- **Individual**, property-by-property basis - income and deductions of individual property calculated separately to other property. You need to maintain separate records for each property to choose this option.
- **Combination** of the individual basis and portfolio basis - choose to apply different methods to different property. Some properties are held in a portfolio and others are held on an individual basis.

You need to calculate and identify the amounts for Boxes 10A to 10I using the method you have chosen for your rental properties. For the portfolio basis, the allowable deductions

from all of the properties in your portfolio can be offset against income you earn from all of the properties in the portfolio.

Calculate your rental income and deductions as usual, as shown at Boxes 4 and 14 on the **Rental income - IR3R** form.

You can then enter these figures in the **Residential property deductions worksheets - IR1226** to help calculate the figures required to be entered in your return. You can print a copy off our website ird.govt.nz/forms-guides

Write the gross residential rental income from the portfolio and/or individual property in Box 10A.

Box 10B Net bright-line profit

The bright-line test needs to be considered when none of the other land taxing rules at Question 12 apply to the disposal of the property.

The bright-line test taxes profit made on the sale of residential property (including overseas property) when it is sold within a certain period of time (bright-line period) and no exclusions or rollover relief apply. Your intention or purpose for purchasing or selling the property is not relevant. For property sold on or after 1 July 2024, the bright-line test looks at whether your bright-line end date for the property is within 2 years of your bright-line start date.

For a standard purchase of property, the bright-line period starts from the date the property's title is transferred to you (generally the settlement date). For a standard sale, the bright-line period ends when you enter into a binding sale and purchase agreement to sell the property. Different rules apply for other types of purchase (for example, off the plans) and for other types of sale or disposal (for example, when property is gifted).

For property sold before 1 July 2024, the sale will come under the bright-line test if the following apply:

- You acquired the property on or after 29 March 2018
- You are selling it within 5 years or before 1 July 2024 (whichever comes first).

Generally, the bright-line test does not apply to a sale of business premises or farmland. Rollover relief is available for certain types of ownership transfers.

If the sale of the property is taxable under the bright-line test, any interest previously denied under the interest limitation rules is treated as if it were part of the cost of the property in the year of sale.

For more information about the bright-line test, go to:

- **ird.govt.nz/bright-line**
- **Bright-line property tax - IR1229** for property sold from 1 July 2024
- **Bright-line property tax - IR1227** for property sold before 1 July 2024.

You can find our forms and guides at **ird.govt.nz/forms-guides**

You can also use the **Property tax decision tool** on our website to work out if you need to pay tax on the sale of your property. Go to **ird.govt.nz/bright-line**

Completing your return

Income and losses for property taxable under the bright-line test are treated differently in your income tax return.

Include your share of the net income (profit) from the sale of the property in Box 10B.

If you have a bright-line loss, do not include it in your income tax return. Instead keep your own record of all your bright-line losses. The loss must be carried forward to a later income year where it can be used to offset income from other taxable land sales, including bright-line.

Complete a **Bright-line property sale information - IR833** form for each bright-line property sold or disposed of and include it with your return. The form explains how to calculate the resulting profit or loss.

Complete the form even if the details have been included in a **Financial statements summary - IR10** or set of accounts, unless the income will be included in your return as part of your business income as a property speculator, property dealer, developer or builder.

Box 10C Other residential income

Write the total other residential income in Box 10C. This includes the total from the following amounts:

- income in relation to a loan denominated in a foreign currency from the portfolio and/or individual property
- all depreciation recovery income from assets disposed of from the portfolio and/or individual property

- net income from the taxable disposal of a residential property outside the residential property deduction rules because it is held on revenue account.

Write any net tax losses from disposals of rental properties that are excluded from the residential property deduction rules in Box 12.

Box 10D Total combined residential income

The amount in Box 10D is the total amount of Box 10A, Box 10B and Box 10C.

Note

If you are a partner in a partnership or owner of a look-through company and have been attributed residential income at Box 27G on the IR7P or IR7L, include your share of that in proportion to your share in the partnership or effective look-through interest in the LTC in the following relevant boxes:

- Gross residential rental income Box 10A
- Net bright-line profit (excluding losses) Box 10B
- Other residential income Box 10C.

The amount in Box 10D will then include the total of your attributed residential income at Box 27G on the IR7P or IR7L.

Boxes 10E to 10I in your return

Write the total eligible deductions for the year for all ring-fenced residential rental properties in Residential rental deductions Box 10E.

If you are a partner in a partnership or owner of a look-through company and have been attributed residential rental deductions shown at Box 27M on the IR7P or IR7L, include that here at Box 10E.

Do not include purchase costs, capital improvements or costs incurred when disposing of the property here. They are included when calculating the net income for taxable disposals. This is the total before adjusting for excess deductions.

Note

Do not include the amount of interest expense denied under the interest limitation rules in Box 10E.

Write the total excess deductions brought forward from last year in Box 10F.

Write the total residential rental deductions claimed this year in Box 10G. This amount cannot exceed the lesser of the following:

- Total combined residential income Box 10D
- Residential rental deduction Box 10E plus Excess residential rental deductions brought forward Box 10F.

The amount cannot exceed the above unless you have sold an individual property or the last property in a residential portfolio and the sale was taxable.

The amount in Box 10H should equal Total combined residential income Box 10D minus Residential rental deductions claimed this year Box 10G.

Any losses are counted as zero unless the loss is the result of either:

- excess deductions released from either a taxable disposal of a property held on the individual basis, or a taxable disposal of all properties or the last property held in a portfolio, or
- claimable interest paid on your investment in a residential land-rich entity. Refer to the **Rental income - IR264 guide**.

Write the amount of all excess deductions for the year to be carried forward to next year in Box 10I.

Note 1

If you sell or dispose of an individual property and the sale is not taxable, or you sell or dispose of the last property in a portfolio and at least 1 of the sales in the portfolio was not taxable, any remaining excess deductions must be transferred to another property or portfolio and/or be carried forward to the next year you earn income from residential property including property held on revenue account.

Note 2

If you sell or dispose of an individual property and the sale is taxable, or you sell or dispose of the last rental property in a portfolio and the sale of all your rental properties in a portfolio were taxable, any remaining loss/excess deductions are released and can be offset against other income. However, this does not include any excess deductions transferred to the portfolio/property.

Note 3

If you want to claim that a property is held on revenue account (other than land that is acquired for purposes of business relating to land) where the sale may be taxable, you need to notify us of the details of the property by the return filing date. You will be stating the sale will be a taxable sale when the property is disposed of. You must be able to separately identify the deductions relating to the property.

For more information read the **Rental income - IR264** guide.

Residential land-rich entities

If you have an investment in a land rich entity, include:

- interest relating to the residential rental activity that is deductible under the interest limitation rules in Box 10E
- interest relating to the residential rental activity you can claim this year under the residential property deduction rules in Box 10G and any remaining amount carried forward in Box 10I
- a note attached to your income tax return advising the above amounts relate to an investment in a land rich entity, to ensure quick processing of your return
- the amount of interest paid that does not relate to the residential rental property at the applicable Box 13, 14C or 15C.

Question 11 Interest incurred from residential property

This question applies to owners of residential property subject to the interest limitation rules.

You do not need to complete this question for the following types of property:

- farmland
- hospitals, hospices, convalescent homes, nursing homes
- rest homes and retirement villages
- hotels, motels, inns, camping grounds, hostels.

For interest to be deductible, the general deductibility rules must be met. The interest will also not be deductible to the extent it is of a private or domestic nature.

The interest limitation rules restrict the ability to claim interest as a deduction for residential property in New Zealand, unless an exclusion or exemption applies (see below).

For the 2025 tax year, you can claim 80% of the interest incurred from 1 April 2024 to 31 March 2025. This is regardless of when the property was acquired or when the loan was drawn down.

There are interposed entity rules to limit interest deductions for a customer who borrows to indirectly fund residential property through an interposed entity.

What to show in your return

Complete question 11 for any interest expense you are claiming in this income tax return at Boxes 10E, 13, 14C or 15C in relation to a house, apartment, flat or other structure that could be used for residential accommodation, either short stays or long term. This includes if you have an arrangement to build such a structure, and bare land that could be used to build such a structure under the relevant district plan.

Write the total interest on residential property in Box 11A. This is the total interest incurred on your borrowings for all your residential properties for this year. If you are using an IR3R form to prepare a summary for each rental property, this is the total of all the 7A Boxes.

Write the amount of interest expense claimed in Box 11B. If you are using an IR3R form to prepare a summary for each rental property, this is the total of all the 7B Boxes.

Note

If you are a partner in a partnership or owner of a look-through company that has incurred interest on residential property at Question 19 in the IR7, include your share of that here in proportion to your share in the partnership or effective look-through interest in the LTC.

If you have claimed an interest expense in Box 11B, at Box 11C tick the reason(s) for the interest expense claimed:

- **A Māori exempt company or not a residential land company** - The interest limitation rules do not apply to non-close companies or groups if less than 50% of its total assets consist of residential property (excluding development property but including shares in other companies that exceed this 50% test) at all times during the income year. A close company that is a Māori authority, eligible to be a Māori authority, or wholly-owned by an entity that is a Māori authority or eligible to be one is an exempt Māori company if it passes this 50% test.
- **Certain schedule 15 exclusions or property not in NZ** - The interest limitation rules apply to land in New Zealand only. Schedule 15 of the Income Tax Act 2007 also allows you to claim interest for the following:
 - main home – if a portion is used to earn income such as a flatting situation
 - business premises (for example, a villa now used as a dental clinic) except if the business premises is used for providing accommodation and it's not a person's main home
 - certain Māori land, papakāinga and kaumātua housing, and land transferred as part of settlement under Te Tiriti o Waitangi/Treaty of Waitangi
 - employee accommodation
 - student accommodation.
- **Phasing of interest** - When an exclusion or exemption does not apply you can claim 80% of the interest incurred.

- **Emergency, transitional, social or council housing** - You can claim interest for loans if your property is used for emergency, transitional or social housing when leased or contracted (directly or indirectly) to the Crown, for example to Te Tūāpapa Kura Kāinga - the Ministry of Housing and Urban Development (HUD) or Kāinga Ora, or to a registered community housing provider.
- **New build exemption** - A 'new build' is a self-contained residence that is issued a Code Compliance Certificate (CCC) under the Building Act 2004, confirming the residence was added to the land on or after 27 March 2020. For more information about what qualifies as a new build go to ird.govt.nz/property/renting-out-residential-property or our guide **Rental income - IR264**.
- **Development or land business exemption** - The development exemption does not require you to have a 'land business' and applies to land that you develop, subdivide, or build on to create a new build. The development may be a one-off. The land business exemption applies to land held as part of a developing, subdividing, or land-dealing business, or a business of erecting buildings on land.
- **Approved build-to-rent exclusion** - This applies to land that meets the criteria of build-to-rent land and is approved by Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (HUD). You can claim interest for loans if your property is recorded on the build-to-rent asset register maintained by HUD.

For more information about the interest limitation rules and how to calculate the amount of interest you can claim, go to ird.govt.nz/property-interest-rules or our guide **Rental income - IR264**. You can find our forms and guides at ird.govt.nz/forms-guides

Question 12 Income from taxable property sales or disposals

Include all income and tax losses from land sales or disposals of other property not included at Question 10.

Profits from land sales are taxable if you bought a property (including an overseas property) for the purpose of reselling it or are in the business of buying and selling land and/or buildings.

The profits may also be taxable if the club or society:

- is a builder and improved a property before selling it
- developed or subdivided land and sold sections
- had a change of zoning on the property and sold it within ten years of buying it, or
- sold a mixed-use asset.

Write the total profit or loss from the sale or disposal of other property in Box 12.

Net profit from the sale of a property taxable under the bright-line test is included in Box 10B. The only exception is the sale of a mixed-use asset that is taxable under the bright-line test, include this in Box 12 instead. Do not include any net loss from the sale of a property taxable under the bright-line test.

For more information on the land sale rules, go to ird.govt.nz/buying-selling or read our guide **Tax and your property transactions - IR361**. You can find our forms and guides at ird.govt.nz/forms-guides

Question 13 Friendly societies

An organisation is a friendly society if it's registered under the Friendly Societies and Credit Unions Act 1982.

The net income to be shown in Box 13 is income from business transactions with people who are not members of the society, less all allowable expenses related to deriving the taxable income from non-members.

Any interest from investments that a friendly society earns is exempt income, if it's not part of the income from a business the society runs.

Where taxable activities cover both members and non-members, the income and expenses must be apportioned to calculate the taxable portion.

Write the net profit from the business carried on with non-members in Box 13. If the figure is a loss, put a minus sign in the last box.

Question 14 Exempt income

The income of some types of club or society is exempt unless the funds can be used for the private benefit of any of the organisation's members. A list of these organisations is on the return.

Question 15 All other clubs and societies

A club or society's taxable income is based on its net profit or loss from revenue sources only, including:

- interest, dividends and rents (for residential rents read Question 10)
- taxable Māori authority distributions (see page 18)
- sponsorship and admission fees, and
- advertising revenue from club journals, magazines or other printed material.

Any membership subscriptions or levies are not income for tax purposes.

Certain transactions the club or society does with its members may be liable for income tax. This includes the purchase of trading stock and the supply of services. Deduct any costs incurred in earning income from taxable sources when you calculate the club or society's taxable income.

Types of income for organisations - Q14 and Q15

Interest and dividends

Show any gross net interest received in Box 14 or 15, and any dividends in Box 14A or 15A. Costs incurred in deriving the interest can be deducted before entering the amount in Box 14 or 15. This includes interest paid by Inland Revenue.

Interest on broken term deposits

If you have broken a term deposit during the year, there may be "negative interest" to account for. This is interest repaid on a term deposit. This may reduce the amount of interest to declare on the tax return.

If the term deposit was broken in full, or it was business-related, deduct the negative interest from the gross interest shown on the RWT withholding certificate.

Deduct the allowable negative interest component using the worksheet below before entering the gross amount at Question 14 or 15 of the return. In all other cases, the negative interest is deductible in a later return when the term deposit matures.

Worksheet

Copy your gross interest from your RWT withholding certificate to Box 1.

1

\$

Print any negative interest you have paid in Box 2.

2

\$

Subtract Box 2 from Box 1 and print the answer in Box 3. Copy this amount to Question 14 or 15 of your tax return.

3

\$

Interest paid or charged by Inland Revenue

If we paid you interest, include it in the income year you received it. If you paid us interest, include it as a deduction in the income year the interest was paid. If your overall interest is a negative amount, put a minus sign in the last box.

Taxable Māori authority distributions

Māori authorities can make various types of distributions. You're only required to declare taxable Māori authority distributions made from gross income that Māori authorities earned during the 2004-05 income year or subsequent income years.

Fill in Box 14B or 15B if you received any taxable Māori authority distributions between 1 April 2024 and 31 March 2025. The Māori authority that paid you the distribution will send you a Māori authority distribution statement.

Credits attached to distributions

The Māori authority may attach a credit to the distribution it makes to members. This credit will be classified as a Māori authority credit and is part of the tax the Māori authority has already paid on its profits, so the distributions are not taxed twice.

What to show in your return

Your Māori authority distribution statement shows:

- the distribution made to you, including the taxable portion and the non-taxable portion, and
- the amount of Māori authority credit.

These amounts, not including any non-taxable distribution, will need to be transferred to the following boxes:

- taxable Māori authority distributions should be shown in either Box 14B or 15B
- Māori authority credits should be shown in Other tax credits Box 21I.

Example

A Māori authority makes a pre-tax profit of \$10,000. They pay tax of \$1,750 on this profit (Māori authority tax rate of 17.5%) and distribute the entire profit to their 10 members, so each member will receive \$825 as a cash distribution and \$175 of Māori authority credits.

Each member of the authority liable to complete an IR9 return would show the following information:

Box 14B or 15B - \$1,000 (made up of \$825 + \$175)

Box 21I - \$175

Non-taxable distributions

Any other distributions received from a Māori authority, which are not taxable in the hands of a Māori authority member do not need to be included in the IR9 return. These amounts are classed as non-taxable distributions and cannot have credits attached.

Other income

Print the net profit in Box 14C or 15C. The net income is the gross income less expenses related to earning the income, if it is a negative amount, put a minus sign in the last box.

Overseas income

You can convert all overseas income and tax credits to New Zealand dollars by:

- using the rates table available from ird.govt.nz/tools-calculators
- contacting the overseas section of a trading bank and asking for the exchange rate for the day you received your overseas income.

Australian dividends from non-foreign investment fund investments

If you hold shares in an Australian company which has elected to maintain a New Zealand imputation account, you may see a "New Zealand imputation credit" on your dividend statement. It's possible for dividends to be paid with these credits attached. Show any Australian dividend income at Box 14A or 15A. Claim the New Zealand imputation credits in the dividend imputation credits box at Question 21C and include overseas tax credits at Question 21A.

This **does not** mean Australian imputed or franking credits can now be claimed. Inland Revenue approval may be required for an exemption from income tax.

Foreign-sourced dividends

Under the foreign investment fund (FIF) rules, dividends received from overseas companies may no longer be separately taxable. Generally, clubs or societies would use the default FIF income calculation method, called the fair dividend rate (FDR), which does not tax dividends separately. However, the foreign tax deducted from the dividend can be claimed as a credit against the tax payable on the calculated FIF income. To learn more about FIF rules go to ird.govt.nz/fif

Foreign rights

If you're calculating controlled foreign company (CFC) or FIF income you may be required to complete an additional disclosure form for that investment.

The types of foreign investment that may not require an additional disclosure are investments in countries New Zealand has a double tax agreement with as at 31 March 2025, which have used the comparative value (CV) or FDR method.

Full details of the disclosure requirements are available in our **Tax Information Bulletins (TIBs)**. The disclosure forms are available from ird.govt.nz/forms-guides

Contact us if you need help to find the appropriate disclosure form.

Portfolio investment entities (PIEs) and attributed PIE income/loss

Certain PIEs attribute their net income/loss, and tax credits they derive, across their investors. Clubs or societies that are investors include the attributed income or loss in their tax return.

Each year, the PIE is required to provide an investor statement setting out the details of the income/loss attributed to the investor for the year. The statement also shows the various types of tax credits associated with the income attributed. These tax credits are subject to the tax credit limits calculated in relation to the tax on the attributed PIE income.

The attributed PIE income/loss is included in the club or society's return for the period that includes the end of the PIE's income year. Generally, PIEs will have a 31 March balance date.

Box 15E Income deduction for non-profit bodies

A non-profit body can claim a deduction of up to \$1,000. This deduction is the smaller of:

- the amount at Box 15D, or
- \$1,000.

If the organisation's income is less than \$1,000 before the deduction, it will have no taxable income.

This deduction is not available to organisations covered by Questions 13 and 14.

If your organisation has an exemption from RWT as a non-profit body, it does not necessarily mean it has non-profit status and is exempt for income tax purposes.

Question 17 Donations

The following societies can claim a deduction for donations made to organisations with donee organisation status:

- friendly societies
- building societies, and
- societies that have been registered under the Incorporated Societies Act 1908, or the Industrial and Provident Societies Act 1908.

You can view the list of donee organisations at ird.govt.nz/donee

Note

State-funded tertiary education institutions, state schools and state-integrated schools do not have to be approved to have donee organisation status.

The deduction for donations cannot be more than the society's income after expenses (before the donation deduction is taken into account).

Calculate the society's donation deduction:

- If the amount in Box 16 is a loss, print nil in Box 17.
- If the donations made by the society exceed the amount in Box 16, copy the amount in Box 16 to Box 17.
- If the donations made by the society do not exceed the amount in Box 16, print the donations in Box 17.

Question 19 Net losses

If you have a loss brought forward from a previous year, enter it in Box 19.

Question 21 Tax calculation

Incorporated bodies:

- are taxed at 28 cents in the dollar, and
- may be provisional tax payers, and so may have to make provisional tax payments - see page 26.

Unincorporated bodies:

- are assessed at individual tax rates but are not entitled to independent earner tax credits, and
- may be provisional tax payers, so may have to make provisional tax payments - see page 26.

If your organisation is an unincorporated body, calculate the tax on its taxable income using these rates.

| Income thresholds | Income tax rates for the 2025 income year |
|----------------------|---|
| \$0 - \$14,000 | 10.5% |
| \$14,001 - \$15,600 | 12.82% |
| \$15,601 - \$48,000 | 17.5% |
| \$48,001 - \$53,500 | 21.64% |
| \$53,501 - \$70,000 | 30% |
| \$70,001 - \$78,100 | 30.99% |
| \$78,101 - \$180,000 | 33% |
| \$180,001 + | 39.0% |

Claim any tax deducted from income paid to the organisation in Box 21A, 21C, 21G or 21I as appropriate.

Box 21D Excess imputation credits brought forward

If your organisation is unincorporated and had unused imputation credits brought forward from last year's return you can claim them against this year's tax payable. The amount of excess imputation credits to be brought forward is in the excess imputation credits carried forward letter we sent you after your last year's income tax return was assessed.

Print the amount in Box 21D of your return. Add up your total imputation credits from Boxes 21C and 21D and print the total in Box 21E.

Box 21E Imputation credits

If the imputation credits at Box 21E are greater than the amount in Box 21B, the difference cannot be refunded.

If the organisation is an incorporated body, the excess imputation credits must be converted to a loss and carried forward. To do this, divide the difference between Boxes 21B and 21E by 0.28.

If the organisation is an unincorporated body, the difference between Boxes 21B and 21E must be carried forward to the next year's return and credited against the tax payable.

We'll send you a letter confirming the amount of net loss/excess imputation credits to carry forward.

Box 21GG Residential land withholding tax (RLWT) credit

If the organisation is an "offshore RLWT person" and has sold or transferred residential property located in New Zealand, RLWT may have been deducted from the sale price. The organisation should have received a statement on the completion of the sale process showing the amount of RLWT deducted. The organisation can claim a credit for any RLWT deducted. Show the amount of RLWT deducted, less any RLWT paid back to the organisation and/or transferred to outstanding amounts during the income year.

If there was more than 1 amount of RLWT deducted, show the combined amount, less any RLWT paid back to the organisation and/or transferred to outstanding amounts during the income year.

Question 22 Refunds and/or transfers

If you're entitled to a refund you can:

- transfer it to arrears that are being paid off
- transfer all or part of it to next year's provisional tax, or
- have any balance direct credited to your club or society's bank account or other deposit account, for example a building society account shown at Question 6.

If you've made payments towards your 2026 provisional tax and you have less or no provisional tax to pay, you can request this be refunded or transferred. Include a note with your return to request this.

Direct credit

See page 5 for more information on how to have your refund direct credited to your bank account.

Refunds of less than \$1.00

If your refund is less than \$1.00 it will be carried forward to your next tax assessment. We'll offset it against any amount you may owe us or add it to any refund.

Transfers

If you'd like your refund transferred to another account or to arrears being paid off by an instalment arrangement, you'll need to tell us the date you'd like it transferred. The date you choose depends on what tax has been overpaid and whose account you want the credit transferred to.

If the transfer is to arrears being paid off through an instalment arrangement, you'll need to include a note with your return authorising the transfer. Please state clearly:

- that the transfer is to arrears currently under an instalment arrangement
- the name and IRD number of the taxpayer the transfer should be made to
- whether the taxpayer is an "associated taxpayer"
- the tax type and period, and
- the date you'd like the transfer to take place.

Associated taxpayers

When transferring overpaid tax, associated taxpayers are:

- a company you're a shareholder-employee in
- a partner in the same partnership, or
- a trustee of a family trust you're a beneficiary of.

You can ask for your credit to be transferred at any date as long as it's not before the relevant date shown below.

Future transfer dates

If you'd like your credit transferred at a date in the future, attach a note to the front of your return with details of:

- the amount you want transferred
- the account you want it transferred to, and if it's the account of an associated taxpayer, and
- the date you'd like it transferred.

If you do not tell us the date you'd like your credit transferred, we'll transfer it at a date we think gives you the greatest advantage. Contact us if you'd like to change the transfer date and tell us if this transfer is to cover a debt.

Requesting transfers on the return form

Fill out the boxes on page 4 of your return if you'd like to transfer a credit to another account.

Transfer date

For credit transferred to your account or an associated person's account:

- If the credit is from excess tax deducted (for example PAYE deducted) it's the day after your balance date (or 1 April if your balance date is before 31 March).
- If the credit is from overpaid provisional tax it's the day you overpaid it.

For credit transferred to a non-associated person's account, it's the later of the day you requested the transfer, or the day after you complete your return.

Contact us if you'd like to change the transfer date. Include the account details you want the credit to be transferred to. If it's going to another person, tell us the transfer date.

Question 23 Initial provisional tax liability

An organisation has an initial provisional tax liability for a tax year if it:

- starts to derive income from a taxable activity in the tax year
- had not derived income from a taxable activity within the preceding 4 years, and
- had a residual income tax of \$60,000 or more in the current year.

Generally, organisations are not liable to pay provisional tax in their first year of operation. If you meet the criteria to have an initial provisional tax liability you may have to pay interest. The interest cost may be reduced by making voluntary provisional tax payments. Print the date the organisation started to derive income from taxable activity in Box 23.

Interest rules for an initial provisional tax liability

Special rules apply when interest may be charged if your club or society has an initial provisional tax liability. It may be charged interest from the first, second or third instalment date, which is determined by the business start date. For most organisations with a balance date of 31 March, the start date for interest will be:

- 29 August, if the taxable activity started before 30 July of the same year
- 16 January, if the taxable activity started between 30 July and 16 December of the previous year, or
- 8 May, if the taxable activity started on or after 17 December of the previous year.

For organisations with a balance date of 31 March, and registered for six-monthly GST filing, the start date for interest will be:

- 29 October, if the taxable activity started before 30 September of the same year, or
- 8 May, if the taxable activity started on or after 30 September of the previous year.

If the organisation has a balance date other than 31 March, the provisional tax payment dates will generally be the 28th day of the 5th, 9th and 13th months following the balance date.

There are special rules about how interest is calculated when a club or society has an initial provisional tax liability and has changed its balance date.

For more information read the **Provisional tax - IR289** guide.

Question 24 2026 provisional tax

2026 provisional tax is charged for income the organisation will earn in the 2026 income year. It's payable in instalments. If the organisation's 2025 residual income tax (RIT) is:

- \$5,000 or less, it does not have to pay provisional tax, but it can make voluntary payments
- more than \$5,000 but expected to be \$5,000 or less for 2026, it may estimate 2026 provisional tax at nil, or
- more than \$5,000 and expected to be more than \$5,000 for 2026, it must pay 2026 provisional tax using 1 of the payment options.

If you anticipate your RIT will exceed \$5,000 for the 2026 year, read the notes on interest - see page 28. You may be liable for interest from your first provisional tax instalment date.

All clubs or societies may choose 1 of the following 3 options to work out their provisional tax:

Standard option

If you use this option, write S in Box 24 of the return and the amount of 2026 provisional tax in Box 24A.

Your 2026 provisional tax is the 2025 RIT plus 5%. If your 2025 return has not been completed it will be 2024 RIT plus 10%.

Estimation option

An organisation can estimate its 2026 provisional tax as many times as it wants to up to and including its final instalment date. If the 2026 RIT is expected to be lower than its 2025 RIT, estimating may stop it from paying more provisional tax than it has to.

If the organisation estimates its provisional tax, write E in Box 24 on the return and the amount of 2026 provisional tax in Box 24A.

Note

An estimate must be "fair and reasonable" at each instalment it applies to if you use the estimation option. Read the notes on the not taking reasonable care penalty and interest below.

Remember, when making your estimate, that incorporated and unincorporated bodies have different tax rates.

Incorporated bodies use the tax rate of 28% . For unincorporated bodies, see the tax rates on page 22.

Ratio option

Note

If you're using the ratio option and select **E** at Box 24, you're electing to stop using this option.

If the club or society is GST registered, you may qualify to use the ratio option to calculate your provisional tax.

Only enter R at Box 24 if you've already elected to use the ratio option. You must apply in writing to use the ratio option before the beginning of the income year you want to use it in.

If you've already elected to use the ratio option and want to continue using it, enter R at Box 24.

You'll find more information about the ratio option in our guide **Provisional tax - IR289**.

Not taking reasonable care penalty

When you estimate the organisation's provisional tax, your estimate must be fair and reasonable. If your RIT is greater than the provisional tax paid, you may be liable for not taking reasonable care and a penalty of 20% of the underpaid provisional tax can apply.

Interest

If the organisation has paid too much provisional tax, we pay interest, or if it has not paid enough provisional tax, we charge interest.

Interest the organisation pays is tax deductible, while interest we pay is taxable income.

For more information about interest and penalties, read our guide **Penalties and interest - IR240**.

Election to be a provisional tax payer

You are a provisional tax payer if your RIT for the year is more than \$5,000. If the RIT is \$5,000 or less, but you paid provisional tax for the year, you may elect to be a provisional tax payer in your return. This may affect the interest you may be entitled to for this year

Change in balance date

There are special rules about when provisional tax is due and how interest is calculated if there has been a change in balance date. You'll find more information about these rules in our guide **Provisional tax - IR289**.

Tax pooling

Tax pooling allows provisional tax payers to pool provisional tax payments, offsetting underpayments by overpayments within the same pool, reducing possible exposure to late payment penalties and use-of-money interest. The pooling arrangement is made through a commercial intermediary, who arranges for participating taxpayers to be charged or compensated for the offset.

For more information about tax pooling, including a list of intermediaries, go to ird.govt.nz/tax-pooling

Payment dates

2026 provisional tax

Generally, a club or society with a 31 March balance date pays provisional tax by the following due dates:

- First instalment 28 August 2025
- Second instalment 15 January 2026
- Third instalment 7 May 2026

A club or society with a balance date other than 31 March pays provisional tax on the 28th day of the 5th, 9th and 13th months after the balance date. There are 2 exceptions:

- An instalment due on 28 December will be due on 15 January.
- An instalment due on 28 April will be due on 7 May.

These dates will alter if:

- the club or society is registered for GST and the GST is completed six-monthly, or
- provisional tax is paid through the ratio option.

If one of these situations applies to you, please read our guide **Provisional tax - IR289**.

End-of-year income tax

If you have an agent and an extension of time you have until 7 April 2026 to pay your tax. If this applies, contact your agent for more information.

Otherwise, an organisation with a balance date between 1 March and 30 September must pay its end-of-year income tax and any interest by 7 February 2026.

An organisation with a balance date between 1 October and 28 February must pay its end-of-year income tax by the seventh day of the month before the following year's balance date.

How to make payments

You can make payments by:

- direct debit in myIR
- credit or debit card at **ird.govt.nz/pay**
- internet banking - most New Zealand banks have a **pay tax** option.

When making a payment, include:

- your IRD number
- the account type you are paying
- the period the payment relates to.

Find all the details of our payment options at **ird.govt.nz/pay**

Late payment

If you do not pay a bill on time, you may have to pay penalties and interest.

Contact us if you are not able to pay on time. We'll look at your payment options, which may include an instalment arrangement.

Find out more at **ird.govt.nz/penalties**

Arrangements

If you're unable to pay your tax by the due date, please call us. We'll look at your payment options, which may include an instalment arrangement, depending on your circumstances. Arrangements can be agreed on, before or after the due date for payment. There are greater reductions in the penalties charged if the arrangement is made before the due date. You can send us an instalment arrangement proposal online. Go to ird.govt.nz/instalments

Self-assessment by taxpayers

Taxpayers have to assess their own liability as part of their return filing obligations. We may amend your assessment if a correction is required.

If you dispute our assessment please go to ird.govt.nz/disputes for more information. The four-month period for you to issue a notice of proposed adjustment (NOPA) to your self-assessment will start on the date Inland Revenue receives your return.

Services you may need

Need to speak with us?

Have your IRD number ready and call us on one of these numbers.

| | |
|--------------------------------------|--------------|
| General tax, tax credits and refunds | 0800 775 247 |
| Employer enquiries | 0800 377 772 |
| General business tax | 0800 377 774 |
| Overdue returns and payments | 0800 227 771 |

Find out more at ird.govt.nz/contact-us

0800 self-service number

Our 0800 self-service number, 0800 257 777, is open 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

When you call, confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your tax and entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them, and
- Statistics New Zealand (for statistical purposes only).

You can ask for the personal information we hold about you. We'll give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at ird.govt.nz/privacy

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process.

Find out more about making a complaint, and the disputes process, at **ird.govt.nz/disputes**



Te Kāwanatanga o Aotearoa
New Zealand Government