



Inland Revenue
Te Tari Taake

IR9XA
April 2025

Tax agents' extension of time (EOT) agreement

For filing period 1 April 2025 to 31 March 2026

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Purpose of this agreement

This agreement explains how tax agents can progressively file their clients' income tax returns and achieve 100% filing by 31 March each year.

Interim dates are provided each year to help tax agents keep track of their filing targets, with 100% to be filed by 31 March.

This document explains the 2025-2026:

- EOT agreement
- guideline dates and expected filing percentages
- how to monitor performance using myIR and reach 100% filing percentages, and
- reasons a client's or agent's EOT may have been withdrawn and how to have this reinstated.

This agreement, between Chartered Accountants Australia and New Zealand (CA ANZ), and Inland Revenue, is negotiated. It regularly reviews the administrative details of applying an automatic EOT to tax agents.

The terms and conditions of this agreement are applied to all tax agents by Inland Revenue, whether they're members of CA ANZ or not¹.

Extension of time (EOT) arrangements for filing returns

Why have an EOT?

Tax agents often have large numbers of clients, and it would be unrealistic to expect them to file all returns by 7 July.

The legislation referred to in this EOT agreement enables:

- Tax agents to spread return filing over a year rather than 1 peak period.
- Inland Revenue to maintain an even flow of tax returns over a 12-month window and ensure no work is carried over to the next filing year.

Who qualifies for an EOT

Legislation requires income tax returns to be filed by 7 July each year.

However, the Commissioner can give clients of tax agents an extension of time to file their income tax returns (to 31 March) and make their income tax payment (to 7 April) of the year following assessment.

It makes provisions for excluding clients from the 31 March target percentage if they're late providing tax agents with the information necessary to file a return.

It also allows for special arrangements where a client's return is affected by exceptional circumstances.

Refer to Appendix for legal references.

EOT Interim guideline dates

EOT monitoring and stats include any client with an active Income tax account. To achieve 100% of client returns being filed and automatic calculations for income tax being confirmed by 31 March 2026, the following interim dates and percentages apply as a guideline for tax agents:

- 40% of clients' returns filed by the second Friday in September 2025
- 60% of clients' returns filed by the second Friday in November 2025
- 80% of clients' returns filed by the second Friday in February 2026

Inland Revenue sends tax agents a letter to remind them of their filing requirements and their current filing percentage for clients with an extension of time before each interim date.

This letter will be sent electronically in myIR to all owner and administrator web logons. If the tax agent does not use myIR, this will be sent via standard post.

¹ Tax agent status – Inland Revenue keeps a list of current tax agents. This list keeps track of organisations and people that have tax agent status. Inland Revenue account managers are responsible for maintaining this list

Income Tax – More information requests

These are a return of income for individual clients (excluding IR3 filers) and included in your filing stats. You must review this information and finalise within the required timeframe.

- 31 March if the client has an extension of time.
- 45 days after the date of issue if no extension of time.

If we do not hear from you within the set timeframe, we'll assume the information is correct and release the income tax assessment.

Once finalised you will receive an income tax assessment.

Find out more about Individual income tax for clients of tax agents at ird.govt.nz/income-tax-for-clients-of-agents

Filing performance as at 31 March

Inland Revenue measures filing performance for those clients who have an extension of time. This does not negate from the expectation that in utilising the extension of time provisions, tax agents will aim to file 100% of all their clients' returns.

Tax agents who file 100% of client returns will receive a letter of achievement confirming they have achieved the expected filing percentage.

If the tax agent files 98% or above, Inland Revenue will send a letter of achievement, with encouragement towards the goal of 100% for the following year.

Tax agents who achieve 90% up to 98% will also receive a letter confirming their filing statistic results.

Negotiated personal guidelines

Where a tax agent files less than 90% of required returns, a letter of caution will be sent and their account manager will supervise their filing performance for the following year.

This may include negotiating interim guidelines that better suit the tax agent's business but will still include the requirement to file 100% of required returns by 31 March.

Impact of continued low filing performance

If a tax agent files less than 90% of required returns for a second year in a row, Inland Revenue will issue a written notice to confirm they are considering withdrawing the tax agent's EOT.

The tax agent and account manager will then meet to discuss the circumstances that led to the failure (for example, the tax agent may have been impacted by an event outside their control, such as a significant illness or an adverse event). Following this meeting, Inland Revenue may continue, withdraw or renegotiate the extension of time arrangement.

If a tax agent is not satisfied with our decision, or thinks they've been treated unfairly, they may ask us to reconsider the decision.

Reinstating a tax agent's EOT

If a tax agent's EOT is withdrawn it will not be reinstated before the end of the following filing year.

Any reinstatement of a tax agent's EOT is at the discretion of the account manager and will be based on the tax agent's past and current filing performance.

If a tax agent is not satisfied with our decision, or thinks they've been treated unfairly, they may ask us to reconsider the decision.

Tools to help tax agents manage client filing

1. EOT dashboard

In myIR tax agents can view:

- the agency's filing performance
- performance breakdown for client lists
- how many clients have had an L letter issued or have Deferred status.

For more information download our **Extension of time (EOT) dashboard – IR1123** guide from ird.govt.nz/forms-guides

2. Reports

Tax agents can generate a variety of reports in myIR to help manage their return filing. These are accessed in myIR and can be exported to excel.

All reports indicate the:

- period covered
- date produced
- agency's IRD number and name.

A **client list report** is available to owners, administrators and restricted administrators, and provides a high-level overview of client information (including clients who have an EOT).

More information can be found on our website at ird.govt.nz/client-list-reports

The **agency activity report** will show changes made to your client's records (including changes to their EOT status).

An 'unfiled returns' report is available in myIR in the Intermediary Centre. This is available to owners, administrators and restricted administrators, and provides details of:

- Unfiled L letter and D status returns - and the deferred dates for D status returns.
- Unfiled income tax returns.
- Unfinalised auto-issued assessments with requests for more information.

3. Late provision of information (L letter)

If a tax agent's client has not provided the information needed to complete their tax return, the tax agent can request Inland Revenue issue an L letter which will remind the client to provide information to the tax agent.

Tax agents can issue a reminder letter in myIR from the Intermediary Centre between 1 August and 15 February the following year. This date does not alter due to a public holiday, weekend or adverse event occurring.

4. Deferred status for clients with exceptional circumstances (D status)

Inland Revenue cannot give an EOT beyond 31 March due to legislative constraints. However, in some circumstances clients cannot file their returns by 31 March through no fault of their own.

If this is the case, on application, Inland Revenue may change the client's EOT status to deferred (D status). However, D status can only be applied for if the client has an existing EOT or has received an L letter. D status can be requested in myIR from the Intermediary Centre between 1 August and 30 March the following year. This date does not alter due to a public holiday, weekend or adverse event occurring.

If D status is granted, Inland Revenue will delay asking for the outstanding return for that client until after the new agreed date. Tax agents will need to contact their account manager if circumstances continue to prevent the return being filed.

Approved D status requests will be visible in myIR in the Intermediary Centre on the agency activity report and the unfiled returns report. If your D status request is declined we will notify you.

After 31 March, these clients will automatically be restored to the tax agent's client list for filing their following years' returns.

5. Request to withdraw a client's EOT

If a tax agent has clients who are not responding to their requests for records, information or to sign off their accounts, the tax agent may wish to remove the client's EOT. They will need to contact Inland Revenue to action this request.

Other EOT information

Request to reinstate a client's withdrawn or returns overdue EOT

A withdrawn or overdue returns EOT may be reinstated for a tax agent's client for the following filing year if either:

- all overdue returns are filed, and the current year return is filed before a late filing penalty is applied
- due to circumstances, it's unrealistic to expect the client to file their current year return before a late filing penalty is applied.

Approval for reinstatement of the client's EOT may be negotiated providing all the following apply:

- the reasons for not filing earlier year returns by 31 March have been reviewed
- the earlier year returns have been filed
- the tax agent gives Inland Revenue a written undertaking that their client's current year return will be filed by 31 March.

Where a written guarantee cannot be provided, an individual extension of time may be negotiated.

If a tax agent wants to apply for an EOT reinstatement, they can do this at any time, however, if the late filing penalty has already been charged this will not be reversed.

New clients and EOT

When a tax agent links a new client, who has 2 or more returns unfiled at the time of linking (returns overdue EOT), an extension of time is not automatic.

If a tax agent takes on a client and finds they have returns outstanding for 2 or more years, there are 2 alternatives.

1. If the returns identified are not required to be filed, update the customer's income profile in myIR and contact Inland Revenue to have their return filing status updated.
2. The tax agent or the client may apply for an individual EOT arrangement under section 37(3) of the Tax Administration Act 1994, providing the extended EOT timeframe has not expired.

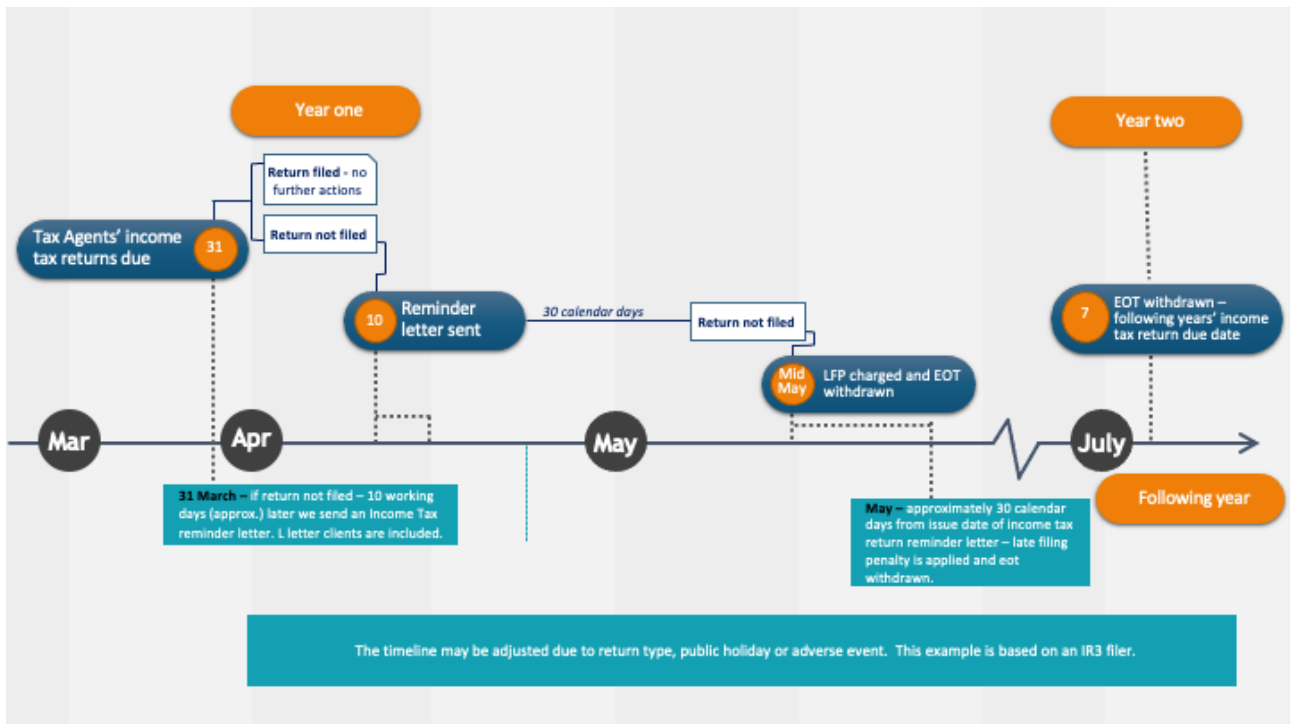
List of tax agents

After a thorough review, Inland Revenue may remove a tax agent from the list of recognised tax agents if the Commissioner is satisfied that continuing to list the tax agent, or tax agency would adversely affect the integrity of the tax system and/or the tax agent is no longer eligible to be a tax agent.

Some examples where Inland Revenue will consider removing a tax agent include²:

- poor compliance history including personal debt and outstanding returns
- poor filing performance
- found guilty of a dishonesty crime under the Crimes Act
- found guilty of an offence or breach by their professional body
- convicted of an offence under the Tax Administration Act.

² More detailed information is located in the **Tax information Bulletin, Vol 20, No 3 (April 2008)**.



Returns outstanding after 31 March


Any returns outstanding after 31 March will be subject to enforcement action. An income tax return reminder letter will be sent approximately 10 working days after the due date advising that the return has not been filed.

If the return is not filed within 30 days from the date of the letter, Inland Revenue will automatically withdraw the client's EOT for the following year and charge a late filing penalty.


If a tax agent has not filed 100% of their returns by 31 March and they have not contacted Inland Revenue, Inland Revenue may contact the client directly to discuss their outstanding return.

Appendices

Copy of the "L letter"



www.ird.govt.nz



IRD number
Reference
Issued

Dear _____

Income tax return for the year ending _____

Your tax agent requires information to file this return

Your income tax return for the year ending _____ is due _____.

What you need to do

You need to provide the information required to file this return to _____ as soon as possible.

If your return isn't filed on time

If your tax agent doesn't get the information they need to file your return on time, it could result in:

- a late filing penalty charged to your account
- a default assessment (estimate of your tax liability) being added to your account
- withdrawal of your extension of time for filing future income tax returns
- prosecution for failing to file.

Your responsibilities

Even though you have a tax agent, it's your responsibility to make sure your return is filed by _____. Contact your tax agent to discuss when you'll provide your information to them.

If you've recently given your agent all the information they need, you don't need to do anything further.

Talk to your tax agent about future returns

Find out when you need to provide the required information to file your income tax returns on time.

Yours sincerely

Legislation relating to EOT

All references are to the Tax Administration Act 1994 (TAA).

Section 3

The definition in section 3(1) of the TAA sets out that a tax agent is a person who:

- is eligible under section 124C(3) of the TAA to be a tax agent, and
- is listed by the Commissioner as a tax agent, and
- has not been removed from the list of tax agents.

Section 124C

Section 124C sets out the eligibility criteria to be a tax agent.

A person is eligible to be listed as a tax agent if they prepare the returns of income required to be filed for 10 or more other persons and is:

- a person carrying on a professional public practice, or
- a person carrying on a business, occupation or employment in which annual returns of income are prepared and filed, or
- a person employed by a company that is a member of a group of companies, and returns of income are prepared and filed by the company for the group
- the Māori Trustee.

Section 124C also:

- requires the Commissioner to compile and maintain a list of tax agents, and
- explains how to apply to be listed as a tax agent.

Section 124E requires:

- the Commissioner to collect the names of key people from tax agent organisations, and
- a tax agent entity to provide certain information to the Commissioner.

Section 124G:

- allows the Commissioner to refuse to list someone as a tax agent, when listing the applicant as a tax agent would adversely affect the integrity of the tax system and/or the applicant is not entitled to make the application
- allows the Commissioner to remove someone from the list of tax agents, when continuing to list the applicant as a tax agent would adversely affect the integrity of the tax system and/or the applicant is not eligible to be a tax agent, and
- requires the Commissioner to provide certain information before refusing to list a tax agent or removing them from the list.

Section 37

Section 37(3) allows the Commissioner to give individual taxpayers an extension of time to file tax returns. This extension is decided on a case or class of cases basis to a date that the Commissioner thinks appropriate under the circumstances.

Section 37(4) allows the Commissioner to 'extend a tax agent's time for furnishing a return of income for any taxpayer to a date that the Commissioner thinks proper in the circumstance, if the Commissioner is satisfied that:

- a) the tax agent is unable to furnish the return of income on or before the date set by subsection (1), or
- b) it would be unreasonable, having regard to the circumstances of the tax agent preparing the return, to require the return to be furnished on or before the date set by subsection (1).'

Sections 37(4B) and (5) allow the Commissioner to give tax agents' clients extensions of time to file income tax returns up to, but not beyond, 31 March of the following year.