

Selling goods to consumers in New Zealand?

From 1 December 2019, overseas businesses that sell low-value goods to consumers in New Zealand may need to register for, collect and return goods and services tax (GST) of 15%.

What are low-value goods?

Low-value goods are physical goods valued at NZ\$1,000 or less, such as books, clothing, cosmetics, shoes, sporting equipment and electronic items.

This NZ\$1,000 threshold is based on the customs value of the goods. This means shipping and insurance costs are excluded when determining if GST needs to be charged on the goods you sell.

The GST charged at the point of sale is based on the customs value of the goods plus any shipping and insurance charges.

Goods imported into New Zealand valued over NZ\$1,000 will continue to have GST and customs duties applied at the border.

Who is affected?

These changes apply to:

- overseas businesses that sell directly to New Zealand consumers online, by phone or mail order
- online marketplaces other people or businesses sell items through
- businesses offering mailbox redelivery of low-value goods
- personal shopping services from countries other than New Zealand.

If your total supplies to New Zealand consumers exceed or are likely to exceed NZ\$60,000 in a 12-month period, you will need to register for, collect and return New Zealand GST on those sales.

When determining if you meet the NZ\$60,000 threshold, you will need to include all supplies to New Zealand consumers that GST applies to. This includes:

- low-value goods
- online services and digital products such as e-books, software downloads and streamed movies and music
- amounts paid by the consumer for services such as delivery, insurance and your fees.

Are there exceptions?

These changes do not apply to:

- supplies of fine metal
- alcohol and tobacco products – GST, excise taxes and customs duties are applied at the border regardless of value.

Low-value goods sold to GST-registered New Zealand businesses (for use in their business) are also generally excluded.

What should I do now?

If your business sells to New Zealand consumers, visit our website to find out if you need to register for GST.

You will also find detailed guidance on:

- determining who is a New Zealand consumer
- determining the value of a good and calculating GST
- currency conversion
- specific rules for online marketplaces and re-deliverers
- information you will need to provide to the New Zealand Customs Service and consumers
- what you'll need to do to comply
- your rights as a taxpayer.

If you need to register

From September, use our online GST registration process for non-residents.

See www.ird.govt.nz/GSTupdate

Once registered, your business will need to file returns and pay GST to Inland Revenue through our myIR online system.

The first GST return under the new rules will be for a four-month period from 1 December 2019 to 31 March 2020. From 1 April 2020, you will need to file quarterly.

More information

Visit us at ird.govt.nz/GSTupdate

Or email info.lvg@ird.govt.nz