



● Read the notes on the back before completing this form.

1. Trust's name

2. IRD number (8 digit numbers start in the second box. 1 2 3 4 5 6 7 8)
If the trust does not have an IRD number, complete an IRD number application – non-individual (IR596) and return it with this form.

3. Trust's address
Street address
Town or city

4. Date of first settlement of this trust
Day Month Year

5. Settlor's name

6. Settlor's address
Street address
Town or city

7. Date settlor first became resident in New Zealand if they were a non-resident at the time of first settlement
Day Month Year

8. Names and addresses of trustees
If there is not enough space, please use a separate sheet of paper and staple it to this form.

Trustee's name
Trustee's address

Trustee's name
Trustee's address

Trustee's name
Trustee's address

Trustee's name
Trustee's address

9. **Notice of election** (to be made by trustee, settlor or beneficiary)
Under section HC 33 of the Income Tax Act 2007 I elect to pay income tax on trustee income derived by this trust.
Name of person making this election
State whether trustee, settlor or beneficiary

Declaration
I declare that the information given on this form is true and correct.
Signature
Date



Notes about elections

Foreign and non-complying trusts

A **foreign trust** is a trust where no settlor of the trust has been resident in New Zealand since:

- 17 December 1987, or
- the date the trust was first settled, whichever was later.

A **non-complying trust** is a trust that is neither a complying trust or a foreign trust. It is generally a trust:

- with a New Zealand resident settlor, that has been established overseas with non-resident trustees, and has not been liable for New Zealand income tax since it was first settled
- where its trustee income has been liable to full New Zealand tax but the trustees have not paid the tax.

Elections

An election can be made to pay tax on trustee income of foreign or non-complying trusts if this requirement would not otherwise exist. New residents who have settled a trust before coming to New Zealand may also make an election. Making an election within the time given in the table below means the trust becomes a complying trust. Some distributions that would have been taxable will not be taxed in the hands of beneficiaries.

Any settlor, trustee or beneficiary of the trust can make the election. The person making the election then becomes responsible for paying the tax on the trustee income.

Once an election has been made the person will need to indicate that the trust continues to qualify as a complying trust in their tax return each year or, if they are a non-active trust, through their myIR account each year.

Election times and effects

<i>Type of trust that can elect</i>	<i>Due date for election</i>	<i>Effects of election</i>
Non-complying and foreign trusts first settled during the 1989 or later tax years that are not liable for New Zealand tax on all trustee income derived since being first settled	Due date for filing the tax return for the income year of settlement	If the election is made to pay tax on trustee income derived since the date of settlement, distributions (other than beneficiary income) will not be taxable to beneficiaries
Previously complying trusts that are no longer liable for New Zealand tax on all trustee income	Due date for filing the tax return for the income year in which complying status was lost	If the election is made to pay tax on trustee income derived since the date the trustee would otherwise have stopped being liable for New Zealand tax, distributions (other than beneficiary income) will not be taxable to beneficiaries
Trusts settled by non-resident settlors who became New Zealand residents after 17 December 1987	Within 12 months of the settlor: <ul style="list-style-type: none">• becoming a New Zealand resident and they are not a transitional resident, or• ceasing to be a transitional resident and they continue to be a New Zealand resident Note: The period of transitional residence is from the first day of residence to the earliest of: <ul style="list-style-type: none">• the day the settlor nominates to cease their transitional residence, or• the day that is 4 years after the last day of the month following the month they became resident	A taxable distribution derived before the date of election is taxed to resident beneficiaries at their individual income tax rates. A taxable distribution includes any profit that is considered income, or a capital gain derived by the trustee through any transaction between them and an associated person. After the date of the election, provided the trust remains a complying trust, a distribution to a beneficiary (other than beneficiary income) is not a taxable distribution.

Note: The income for the year of election may be apportioned in accordance with the formula in section HC 30(6)(b), or calculated on an actual accounts basis under section HC 30(6)(a) of the Income Tax Act 2007.

More information

If you would like more information about elections or the tax rules for trusts, read our booklet *Trusts' and estates' – income tax rules (IR288)*. You can view this on our website at www.ird.govt.nz or you can order a copy by phoning INFOexpress on 0800 257 773.

Send this form to:

Inland Revenue
PO Box 39090
Wellington Mail Centre
Lower Hutt 5045