

Becoming a Māori authority



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Note

You may need to provide information about your financial accounts in New Zealand and overseas to comply with international obligations. Find out more about:

- CRS (Common Reporting Standard) obligations - go to www.ird.govt.nz/crs
- FATCA (Foreign Account Tax Compliance Act) obligations - go to www.ird.govt.nz/fatca

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

What is a Māori authority?

A Māori authority acts as a trustee by administering communally owned Māori property on behalf of individual members.

See pages 4 to 7 for a list of the organisations that are eligible to become a Māori authority.

Māori authority members

If the Māori authority is a company, a member is either a person or group of persons who are shareholders.

If the Māori authority is a trustee of a trust, members are beneficiaries.

Advantages and disadvantages to becoming a Māori authority

Advantages to becoming a Māori authority

- There is a lower income tax rate of 17.5%.
- Credits attached to distributions that are more than a member's liabilities will be refundable, or can be used to cover income tax payable on other income.
- Māori authorities can pay resident withholding tax (RWT) at a lower rate than other taxpayers.
- Māori authorities can opt out of the Māori authority rules without needing to wind up and establish another entity.

Disadvantages to becoming a Māori authority

- Māori authorities that are companies can't group losses, amalgamate or consolidate with other companies that aren't Māori authorities.
- When a Māori authority doesn't have a member's IRD number, a RWT rate of 33% will apply to any distributions over \$200.
- A Māori authority that elects out and then re-enters later is treated as having disposed of and then re-acquired all its assets at market value.

Each Māori organisation will have to balance the advantages and disadvantages before deciding whether to elect into these rules.

Who is eligible to be a Māori authority?

The law provides a clear guide for determining what constitutes a Māori authority. Here is a list of eligible organisations. For more information on the various types and structures see pages 4 to 7.

- (a) A company established by an order made under Te Ture Whenua Māori Act 1993
- (b) The trustees of a trust established by an order made under Te Ture Whenua Māori Act 1993
- (c) A company that owns land subject to Te Ture Whenua Māori Act 1993
- (d) The trustees of a trust who own land that is subject to Te Ture Whenua Māori Act 1993
- (e) The Māori Trustee in the Māori Trustee's capacity as an agent for an owner of land that is subject to Te Ture Whenua Māori Act 1993
- (f) A Māori Trust Board, as defined in section 2 of the Māori Trust Boards Act 1955
- (g) The Crown Forestry Rental Trust, established by deed in accordance with section 34 of the Crown Forest Assets Act 1989
- (h) Te Ohu Kai Moana Trustee Limited, established under section 33 of the Māori Fisheries Act 2004
- (i) Aotearoa Fisheries Limited, established under section 60 of the Māori Fisheries Act 2004

- (ia) A company that is:
 - (i) established by a mandated iwi organisation to be an asset-holding company, as contemplated by section 12(1)(d) of the Māori Fisheries Act 2004
 - (ii) recognised by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under section 13(1) of the Māori Fisheries Act 2004
- (ib) The trustees of a trust that is recognised by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under section 13(1) of the Māori Fisheries Act 2004
- (j) The trustees of trusts that are established by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under sections 79 and 92 of the Māori Fisheries Act 2004
- (k) A company that:
 - (i) on behalf of Māori claimants, receives and manages assets that are transferred by the Crown as part of the settlement of a claim under the Treaty of Waitangi, and
 - (ii) is contemplated by the Deed of Settlement of the claim as performing the functions referred to in subparagraph (i)
- (l) The trustees of a trust who:
 - (i) on behalf of Māori claimants, receive and manage assets that are transferred by the Crown as part of the settlement of a claim under the Treaty of Waitangi; and
 - (ii) are contemplated by the Deed of Settlement of the claim as performing the functions referred to in subparagraph (i).

Entities eligible to become a Māori authority

(a) A company established by an order made under Te Ture Whenua Māori Act 1993.

Included in this list are: Māori incorporations which are incorporated by an order made under Te Ture Whenua Māori Act 1993 and adopt the Māori Incorporation Constitution Regulations (1994). Some Māori incorporations were established by Order of the Māori Land Court under the Māori Reserved Lands Act 1955. Their status has been preserved under Te Ture Whenua Māori Act 1993.

For tax purposes the word "company" is used in this situation to define a wider range of organisations. It includes any body corporate or other entity that has a legal existence separate from those of its members. Te Ture Whenua Māori Act considers a Māori incorporation to be a body corporate.

To qualify under the terms of this listing an entity must first approach the Māori Land Court to establish a Māori incorporation by order under Te Ture Whenua Māori Act 1993 - see page 12 for a list of approved trusts.

Structure of a Māori incorporation

Below is a brief introduction to the structure of a Māori incorporation.

Māori incorporation

A Māori incorporation is a structure similar to a company established to facilitate and promote the use and administration of Māori freehold land on behalf of the owners.

Māori incorporations are designed to manage whole blocks of land and are some of the most commercial types of Māori land management structures.

Committee of management

An interim committee of management is appointed by the Māori Land Court for a period to manage the affairs of the Māori incorporation.

The first annual general meeting should be held within 6 months of the end of the financial year of the incorporation. At the first annual general meeting the shareholders must elect and appoint a new committee of management.

Shareholders

Owners of Māori incorporations are referred to as shareholders. Shareholders can be individuals, trusts or corporate bodies. Dividends are payments made to shareholders from Māori incorporation income, based on their individual shares.

(b) The trustees of a trust established by an order made under Te Ture Whenua Māori Act 1993.

Included in this list are the following trusts: Ahu whenua; Kai tiaki; putea; whanau and whenua topu trusts.

To qualify under the terms of this listing an entity must first approach the Māori Land Court to establish one of the five trusts by order under Te Ture Whenua Māori Act 1993.

Terms used

Trust

The legal definition of a trust is an "equitable obligation" binding a person (the trustee) to deal with property over which they have control (the trust property) for the benefit of certain persons (the beneficiaries).

The trust is established by an "order" under the Te Ture Whenua Māori Act 1993 and adopts the terms of the trust order setting out aims and objectives of the trust, referred to as "terms of trust".

Trustee

A trustee is appointed by a court order to represent the individual "beneficiaries" interest. The trustee is the legal owner whose name appears on the title.

Although beneficiaries nominate trustees, it's through the court order that the Māori Land Court appoints the trustees.

The court order lists the responsibilities of the trustees in managing the affairs of the trust.

Beneficiaries

Owners of the trust are referred to as beneficiaries. Beneficiaries can be individuals, trusts or corporate bodies.

Dividends are payments made to beneficiaries from the trust income, based on their individual shares.

Five trusts approved by order under Te Ture Whenua Māori Act 1993

Ahu whenua trust

This trust is designed to promote the use and administration of the land in the interest of the owners. This trust is set up to manage whole blocks of land.

The trustees are appointed by a court order to represent the owner's interest.

Whenua topu trust

This is an iwi or hapu-based trust. It's designed to facilitate the use and administration of the land in the interests of the iwi or hapu. This type of trust is used for receiving Crown land as part of any settlement.

Trustees are appointed by a court order to administer the affairs of the trust.

Whanau trust

This is a whanau-oriented trust. This trust allows the whanau to bring together all their interests (specified shares in Māori land) for the benefit of the whanau and their descendants.

Trustees are appointed by a court order to administer the affairs of the trust.

Putea trust

This trust allows the owners of small uneconomical interests (assets or land) to pool them together under one administration.

Trustees are appointed by a court order to administer the affairs of the trust.

Kai tiaki trust

This trust relates solely to individuals and is designed specifically for minors (persons under 20) and individuals with a disability.

Trustees are appointed by a court order to represent the beneficiaries' interest.

(c) A company that owns land subject to Te Ture Whenua Māori Act 1993

Some companies may establish themselves under other legislation (other than Te Ture Whenua Māori Act 1993) . However, if they wish to apply the Māori authority rules they are required to own and administer their land according to the provisions of Te Ture Whenua Māori Act 1993.

(d) The trustees of a trust who own land subject to Te Ture Whenua Māori Act 1993

Some trustees may establish a trust under other legislation (other than Te Ture Whenua Māori Act 1993). However, if they wish to apply the Māori authority rules they are required to own and administer their land according to the provisions of Te Ture Whenua Māori Act 1993.

(e) The Māori Trustee in the Māori Trustee's capacity as an agent for an owner of the land that is subject to Te Ture Whenua Māori Act 1993

The position of Māori Trustee was created by legislation and is governed by the Māori Trustee Act 1953. The Māori Trustee acts as agent on behalf of those who own land subject to Te Ture Whenua Māori Act 1993.

The Māori Trustee is accountable to both the owners and the Māori Land Court.

(f) A Māori trust board, as defined in section 2 of the Māori Trust Boards Act 1955

The Māori Trust Board Act 1955 is administered by the Ministry of Māori Development, Te Puni Kōkiri. Section 13 of this Act establishes Māori trust boards as legal entities. The trustees are elected by the beneficiaries and act in accordance with the legal obligations as set out in the Māori Trustee Act 1953.

These are the 15 recognised Māori trust boards throughout New Zealand:

Name	Location
Aorangī	Takapau
Aupōuri	Kaitaia
Hauraki	Paeroa
Maniapoto	Te Kuiti
Ngāti Whātua O Orakei	Auckland
Taitokerau	Whangarei
Taranaki	New Plymouth
Tauranga Moana	Tauranga
Te Runanga O Ngāti Porou	Ruatoria
Te Runanga O Ngāti Whātua	Whangarei
Tūhoe-Waikaremoana	Rotorua
Tūwharetoa	Turangi
Wairoa-Waikaremoana	Wairoa
Whanganui River	Whanganui
Whakatōhea	Opotiki

(g) The Crown Forestry Rental Trust, established by deed in accordance with section 34 of the Crown Forest Assets Act 1989

The Crown Forestry Rental Trust was established by deed under section 34 of the Crown Forest Assets Act 1989. It holds assets pending claim determinations by the Waitangi Tribunal. The Trust's capital is used to assist Māori with their claims to the Tribunal that may involve Crown forest land.

(h) Te Ohu Kai Moana Trustee Limited, established under section 33 of the Māori Fisheries Act 2004

Te Ohu Kai Moana Trustee Limited replaces the Treaty of Waitangi Fisheries Commission and is responsible for allocating settlement assets under the Māori Fisheries Act 2004. Te Ohu Kai Moana Trustee Limited holds and manages settlement assets that have yet to be allocated to iwi. It also has a governance role over Moana New Zealand, Te Putea Whakatupu Trust and Te Wai Māori Trust.

(i) Moana New Zealand, established under section 33 of the Māori Fisheries Act 2004

Moana New Zealand is a commercial company that holds and manages settlement assets, principally shares in existing companies, received under the Māori Fisheries Act 2004.

(ia) A company that is:

- (i) established by a mandated iwi organisation to be an asset-holding company, as contemplated by section 12(1)(d) of the Māori Fisheries Act 2004
- (ii) recognised by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under section 13(1) of the Māori Fisheries Act 2004

(ib) The trustees of a trust recognised by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under section 13(1) of the Māori Fisheries Act 2004

These definitions (ia) and (ib) recognise mandated iwi organisations and asset-holding companies. These entities are established by iwi to receive and manage settlement assets allocated to iwi under the Māori Fisheries Act 2004. Mandated iwi organisations may be a company or a trust.

(j) The trustees of trusts established by Te Ohu Kai Moana Trustee Limited as a mandated iwi organisation under sections 79 and 92 of the Māori Fisheries Act 2004

Te Putea Whakatupu and Te Wai Māori Trust were established under the Māori Fisheries Act 2004. Te Putea Trust promotes education, training and research relating to fisheries, fishing and fisheries-related activities. Te Wai Māori Trust promotes and advances Māori interests in indigenous freshwater fisheries.

(k) A company that:

- (i) on behalf of Māori claimants, receives and manages assets transferred by the Crown as part of the settlement of a claim under the Treaty of Waitangi, and**
- (ii) is contemplated by the Deed of Settlement of the claim as performing the functions referred to in subparagraph (i)**

A company set up to act on behalf of Māori claimants, which receives and manages assets from the Crown as part of their settlement of a claim under the Treaty of Waitangi.

The Deed of Settlement between the Crown and Māori claimants provides for a company to:

- act on behalf of the Māori claimants or beneficiaries, and
- perform the function within the terms of the Deed of Settlement between the Crown and Māori claimants.

(l) The trustees of a trust who:

- (i) on behalf of Māori claimants, receive and manage assets transferred by the Crown as part of the settlement of a claim under the Treaty of Waitangi, and**
- (ii) are contemplated by the Deed of Settlement of the claim as performing the functions referred to in subparagraph (i)**

The trustees of a trust set up to act on behalf of Māori claimants, which receives and manages assets from the Crown as part of a settlement of a claim under the Treaty of Waitangi. The Deed of Settlement between the Crown and named trustees provides for trustees to:

- act on behalf of the Māori claimants or beneficiaries, and
- perform the function within the terms of the Deed of Settlement between the Crown and Māori claimants.

How to become a Māori authority

If your organisation meets the criteria for one or more of the eligible entities on pages 4 to 7, you need to let us know that you want to apply the Māori authority rules. Do this by filling out a *Māori authority election (IR483)* form (see example over page). This process is called making an election.

You can get an IR483 from our website www.ird.govt.nz (search keywords: IR483).

Māori authority election

Name of organisation

Address of organisation
Street address or PO Box number

Town or city

IRD number of organisation (8 digit numbers start in the second box. 172379678)

Election start date
Day Month Year

Please tick the appropriate option/s which suits your organisation. A description of each category is on the back of this form.

OPTION (tick)	CATEGORIES
<input type="radio"/> Trusts and companies that administer Māori freehold land under Te Ture Whenua Māori Act 1993	A
<input type="radio"/> Māori Trustee	B
<input type="radio"/> Māori Trust Boards	C
<input type="radio"/> Crown Forestry Rental Trust	D
<input type="radio"/> Te Ohu Kai Moana Trustee Limited	E
<input type="radio"/> Aotearoa Fisheries Limited	F
<input type="radio"/> Trusts and companies that receive and manage fisheries assets allocated under the Māori Fisheries Act 2004	G
<input type="radio"/> Trusts and companies that receive and manage assets of the Treaty settlement redress process	H

Declaration

Name of authorised person

Designation or title

Phone number

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

Signature

Date

Name of organisation

Your organisation's name as it is registered with us.

Address of organisation

The address we can use to send you information.

IRD number of organisation

If your organisation doesn't have an IRD number, complete an *IRD number application - non-individual (IR596)* form and send it to us with your completed IR483.

Election start date

This is the date your organisation wants to start applying the Māori authority rules. This is one of the dates below, whichever is earliest:

- the first day if the income year you've chosen to elect in, or
- the day you no longer comply with the Charities Act.

Māori authority listing

Tick which of these eligible entities applies to your organisation. You don't need to provide any documentation with this form, but we may ask you for more information later.

Accepting your election

Once we've received your election form, we'll let you know whether or not we have accepted the election.

Declaration

Complete this declaration and sign it.

How to stop being a Māori authority

Contact us in writing if your organisation no longer wants to apply the Māori authority rules. We need to know:

- the date you want to stop being a Māori authority, and
- if the organisation continues to exist, what sort of organisation it will be for tax purposes eg, company or trust.

We'll let you know that we have heard from you.

Services you may need

myIR

A myIR account lets you manage all your Inland Revenue matters securely online. You can update your address, phone, email or bank account details, check your eDocuments, work out your income tax filing options and check your KiwiSaver account.

Register for a myIR account today to:

- check if you're due a refund
- file an EMS, IR3 tax return or GST return
- see payments to or from Inland Revenue (including child support and student loans)
- manage your alert email settings
- apply for/manage your Working for Families Tax Credits.

myIR is available 24 hours a day, seven days a week. Go to www.ird.govt.nz/myIR to find out more.

Forgotten your user ID or password?

Request these online and we'll send them to the email address we hold for you.

www.ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** to manage your tax and entitlements online.
- **Demonstrations** - learn about our services by watching short videos.
- **Get it done online** - complete forms and returns, make payments, give us feedback.
- **Work it out** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your myIR user ID or password?

Request a reminder of your user ID or reset your password online. You'll need to know your IRD number and have access to the email address we hold for you.

Note

Māori authorities cannot file their IR8s online unless they have a tax agent who eFiles.

How to get our forms and guides

You can get copies of all our forms and guides by going to www.ird.govt.nz and selecting "All forms and guides" from the right-hand menu, or by entering the shoulder number in the search box. You can also order copies by calling 0800 257 773.

Follow us on Twitter

Follow [@NZInlandRevenue](https://twitter.com/NZInlandRevenue) for tweets on tax and social policy matters, including media releases, due dates and consultations.

Language Line

Language Line is a free, phone-based interpreter service for customers whose first or preferred language isn't English. Over 40 languages are available - go to www.languageline.govt.nz for the full list. Whenever you need to talk to us you can ask for a Language Line interpreter and choose the language you feel most comfortable using.

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 377 771

For more information go to www.ird.govt.nz/contact-us

0800 self-service numbers

This service is available to callers seven days a week except between 5am and 6am each day. Just 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. Registering for voice ID is easy and only takes a few minutes. Call 0800 257 843 to enrol.

Order publications and taxpacks	0800 257 773
Request a summary of earnings	0800 257 778
Request a personal tax summary	0800 257 444
Confirm a personal tax summary	0800 257 771
All other services	0800 257 777

When you call, just 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.

Supporting businesses in our community

Our Community Compliance teams offer a free tax education service to businesses and not-for-profit organisations to help them meet their tax obligations. The service is available to individuals (one-on-one meetings) and groups (workshops or seminars).

Use this service to find out more about:

- the records you need to keep
- the taxes you need to know about
- how to best use our online services
- completing your tax returns (eg, GST, employer returns)
- filing returns and making payments
- your KiwiSaver obligations.

Our kaitakawaenga Māori are available to advise Māori organisations and individuals.

Check out our short videos at www.ird.govt.nz/introbizvids then go to www.ird.govt.nz/contact-us/seminars to find a seminar near you.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your liabilities or your entitlements under the Acts we administer. We may charge penalties if you don't.

We may also exchange information about you with:

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

If you ask to see the personal information we hold about you, we'll show you and correct any errors, unless we have a lawful reason not to. Call us on 0800 377 774 for more information. For full details of our privacy policy go to www.ird.govt.nz (keyword: 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. You can call the staff member you've been dealing with or, if you're not satisfied, ask to speak with their team leader/manager. If your complaint is still unresolved you can contact our Complaints Management Service. For more information go to www.ird.govt.nz or call us on 0800 274 138 between 8 am and 5 pm weekdays.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process. For more information, read our factsheet, *If you disagree with an assessment (IR778)*.

Useful publications

See page 10 for how to get these publications.

Penalties and interest (IR240)

A guide to the different types of penalties and interest we may charge if you don't file or pay on time. It also tells you how you can reduce or avoid penalties.

Payments and gifts in the Māori community (IR278)

Factsheet explaining the tax treatment of payments and gifts in the Māori community for the purposes of income tax, GST, and employing staff.

Smart business (IR320)

A guide containing information on record keeping, cashflow forecasting, and time management and basic tax responsibilities.

Employer's guide (IR335)

This guide explains the tax responsibilities of anyone who employs staff. It is your responsibility to make deductions from payments you make to them, as well as giving information to us.

GST guide (IR375)

A guide about GST (goods and services tax) for all individuals, businesses and organisations that have to charge GST.

Late payment and late filing penalties (IR741)

This guide provides information about late payments and late filing penalties, including when they are charged, instalment arrangements and grounds for remission.

Māori authority tax rules (IR1202)

A guide explaining the Māori authority tax rules and how to account for tax.