

GST plus

Working out specific GST issues



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Introduction

If you're reading this guide, you'll be familiar with:

- accounting bases
- filing frequencies
- completing and filing GST returns
- making adjustments
- dealing with straightforward exemptions
- winding up your business.

This guide covers a number of infrequent and/or complex GST issues which will only apply to a limited number of registered persons, or will only occur under certain conditions.

There may still be some situations we haven't covered here. For more help:

- go to our website www.ird.govt.nz/gst
- read our *GST guide (IR375)*
- check out our online "Tool for business"
- call us on 0800 377 776.

Part 1 - Adjustments

Change of accounting basis

You may want to change your GST accounting basis for a number of reasons. You can ask to change your accounting basis at any time by writing to us. If we approve your application we'll let you know the date the changeover begins. We'll send you a calculation of the adjustments you need to make for outstanding debtors and creditors.

Record all these adjustments on the IR372 calculation sheet under "Change in accounting basis" and include them in the corresponding Box (9 or 13) of your GST return.

Here's what to do if you're changing:

- **from payments to invoice**

When GST on debtors is more than GST on creditors, you must pay the difference. Include the amount in the total adjustments in Box 9 of your return.

If GST on creditors is higher, you'll get a credit for the GST, so include the difference in the total credit adjustments in Box 13 of your return.

Note: For an entity in receivership or liquidation, the liquidator, receiver or administrator can't change the accounting basis from payments to invoice.

- **from payments to hybrid**

Calculate the GST on outstanding debtors and include the amount in the total adjustments in Box 9 of your return.

- **from invoice to payments**

If GST on debtors is greater than GST on creditors, you'll get a credit for the difference. Include the amount in the total credit adjustments in Box 13 of your return.

When the GST on creditors is higher, you must pay the difference. Include it in the total adjustments in Box 9 of your return.

- **from invoice to hybrid**

Calculate the GST on the amount owed to creditors and include it in the total adjustments in Box 9 of your return.

- **from hybrid to payments**

Calculate the GST on outstanding debtors and include it in the total credit adjustments in Box 13 of your return.

- **from hybrid to invoice**

Calculate the GST on the amount owed to creditors and include it in the total credit adjustments in Box 13 of your return.

Assets kept after you cease to be registered

If you cancel your GST registration but keep assets from your taxable activity, you must include the value of those assets in your final GST return.

The adjustment amount is $\frac{3}{23}$ of the open (current) market value of the assets you've kept. For assets bought before 1 October 1986, the value will be the lesser of the cost price and the open market value.

Show the value of the asset on your IR372 calculation sheet and include it in the total adjustments in Box 9 of your final GST return.

You must return the GST on the value of the asset regardless of your accounting basis.

You won't need to return the GST on the asset in the future. It doesn't matter what you do with the assets after you've filed your final return.

Example

Charlie is registered for GST and runs a taxi business. He retired on 30 November 2010 and kept his taxi for personal use.

The value of the vehicle based on current market value is \$17,250.

In his final GST return he included $\frac{3}{23}$ of \$17,250 (\$2,250) in the total adjustments in Box 9, having transferred this amount from his IR372 calculation sheet.

Where you retain assets which were used mainly for business purposes and you made private use adjustments for them, you don't need to make an apportionment. You still calculate GST on the market value.

If the retained assets were used principally for private purposes, and adjustments were made for the business use, you don't account for GST. Here, the value of the asset doesn't need to be included in your final return when you cease to be registered.

Part 2 - Exempt supplies

Donated goods and services sold by a non-profit body

If a non-profit body has goods or services donated to it and later sells them, it can't charge GST on the sale.

Example

A car dealer gives a church a car. The church uses the car for two years before selling it. The sale of the car is exempt.

A non-profit body can't claim a GST credit for expenses involved in supplying donated goods and services.

Example

A charity which runs an opportunity shop selling only donated clothing can't claim GST credits on the shop expenses, eg, rates, electricity or maintenance. If this was the charity's only activity, it wouldn't be required to register for GST, but, if the charity also sells goods it buys in, it could claim a GST credit on the expenses which relate to those goods. It must apportion all other expenses between the exempt and taxable supply use.

For more information read our *Charitable organisations (IR255)* guide.

Financial services

These include:

- paying or collecting any amount of interest
- mortgages and other loans
- bank fees
- securities (eg, stocks and shares)
- providing credit under a credit contract
- exchanging currency (eg, changing US\$ into NZ\$)
- arranging or agreeing to do any of the above (eg, mortgage broking)
- financial options
- provision or transfer of ownership of a financial option
- deliverable future contracts
- non-deliverable future contracts.

For more information see our *Tax Information Bulletin (TIB)*, Vol 16, No 10 (November 2004).

Refer to our website www.ird.govt.nz (key words: exempt supplies).

Financial planning fees cover all types of fees charged by financial advisors for financial planning services they provide. These fees are for initial planning, implementation, administration, monitoring, evaluation, replanning and switching.

GST applies to services relating to initial planning, monitoring, evaluation and replanning. Services relating to implementation fees, administration fees and switching fees are financial services and exempt from GST.

Our *Tax Information Bulletin (TIB)*, Vol 13, No 7 (July 2001) has more information about the GST treatment of services provided for financial planning fees.

Fine metals

Supplying fine metals, eg, any sale of fine metal by a dealer, or anyone importing fine metal, is exempt from GST. But, when newly refined metal is supplied by a refiner to a dealer as an investment item, it's treated as a zero-rated supply.

Fine metal is any form of:

- gold with a fineness of not less than 99.5%
- silver with a fineness of not less than 99.9%
- platinum with a fineness of not less than 99%.

Part 3 - Zero-rated supplies

Copyrights and patents

Services relating to copyrights, patents and similar property, which apply outside New Zealand are zero-rated.

Example

A New Zealand publishing company has the copyright on a New Zealand author's book. The company sells the overseas copyright to another New Zealand company. Because the other company will be publishing and selling the book overseas (performing a service), the fee for the right is zero-rated.

Domestic transportation of household goods

The transportation of household goods in New Zealand is zero-rated for services supplied to a non-resident who is living outside New Zealand when the services are performed, and:

- the New Zealand Customs Service clears that the goods are for home consumption, and
- the transport arrangements have been made before the goods are entered, and
- the services are expected to be completed within 28 days of the entry of the goods.

Duty-free shops

Goods purchased from duty-free shops by international travellers are zero-rated when a retailer:

- sells goods to a tourist and arranges to send the items overseas to them (the traveller doesn't take possession of the goods), or
- arranges to send the items to an overseas customer, or
- arranges to send goods to the airport for a traveller to pick up at the time of their departure.

Goods sold by duty-free shops which are licensed as export warehouses and which operate within the Customs processing area at international airports are also zero-rated, although GST may be payable to Customs on entry to New Zealand.

Exported boats and aircraft

Boats and aircraft exported from New Zealand under their own power within 60 days can be zero-rated. Goods and services supplied directly in connection with these boats and aircraft as well as goods that are incorporated into or consumed as part of a process of modifying to-be-exported boats and aircraft can also be zero-rated.

Exported goods

Goods you export, or are going to export, qualify for zero-rating. Items valued at less than \$1,000, which don't need an export entry, also qualify as long as you can prove that they are to be, or have been, exported. Exported goods also include stores supplied to aircraft and ships for use outside New Zealand.

If you've entered goods for export they must be exported within 28 days of the time of supply, unless we've agreed to an extension.

For information on exported secondhand goods - see page 10.

Goods destroyed before export

Goods intended for export, which are destroyed, die or cease to exist through no fault of the supplier and buyer, will be zero-rated.

Goods not in New Zealand at the time of supply

Goods located outside New Zealand, which are not going to be imported into New Zealand, are zero-rated.

Services performed outside New Zealand

Services performed outside New Zealand are zero-rated. For example, if a New Zealand singer gives a recital in Italy, she will charge GST at 0%.

Remote services supplied from outside New Zealand

Non-resident businesses will not be required to charge and return GST on remote services, including online services, supplied to New Zealand GST-registered businesses, nor will they be required to provide tax invoices. However the non-resident business will be able to treat the supply as zero-rated, taxed at 0%. This may allow the non-resident business to claim back New Zealand GST on the costs incurred in making zero-rated supplies to GST-registered businesses.

If you receive a zero-rated remote service from a non-resident business you may need to make an adjustment if you use the service for something other than your taxable activity. If you estimate when you acquire the service that you'll use it for less than 95% in your taxable activity, or discover at the end of a later adjustment period that your actual use of the service in your taxable activity has been less than 95%, you'll need to adjust for the GST component of the non-taxable use, as if you'd charged GST on the supply.

For further information on GST adjustments go to www.ird.govt.nz (search keywords: GST adjustments).

Services relating to goods to be exported

Services performed directly in connection with goods that are, or will be, entered for export are zero-rated.

Example

A New Zealand fruit grower exports 1,000 crates of fruit. The offshore recipient wants to ensure the quality of the fruit. He contracts a New Zealand horticultural firm to inspect the fruit independently and prepare a report. This service is zero-rated.

Services relating to portable personal property

Information services provided directly in connection with portable personal property are zero-rated.

Example

Electronic equipment is sent to New Zealand from Germany for testing. The test results are collected, analysed and sent back to Germany. These services are zero-rated.

Services supplied to non-residents outside New Zealand

Services are zero-rated when supplied to a non-resident who is outside New Zealand when the service is supplied.

Example

Legal advice given to a person living in Australia by a lawyer who is resident in New Zealand is zero-rated.

Services zero-rated but carried out in New Zealand

Land outside New Zealand

Services connected directly with land or buildings located outside New Zealand, eg, architectural, real estate and legal services, are zero-rated.

Example

A New Zealand architect designs a building to be constructed on an overseas property for an overseas client. The charge for this service is zero-rated.

Goods outside New Zealand

Zero-rating applies to services carried out directly in connection with goods situated outside New Zealand.

Example

A New Zealand insurance company gives cover to a car located outside New Zealand. The premiums are zero-rated.

Some financial services

Since 1 January 2005 some financial intermediation services may be zero-rated to recipients:

- who are registered for GST, and
- whose taxable supplies comprise 75% or more of their total supplies in a 12-month period.

Financial intermediation services include deposit-taking intermediation and brokerage services.

You must treat supplies of financial services to recipients who don't meet these conditions as exempt supplies. You can apply to zero-rate these supplies by writing to:

Inland Revenue Assurance
Financial Portfolio
PO Box 2198
Wellington 6140
Fax 04 890 4502

Our *Tax Information Bulletin (TIB)* Vol 16, No 10 (November 2004) has more information about zero-rating financial services. See our GST guidelines for working with the zero-rating rules for financial services at www.ird.govt.nz (search keywords: zero-rating accounting).

Some imported services

Since 1 January 2005, it's been a requirement to charge and return GST on any services you import into New Zealand. These can include services you acquire while you're outside New Zealand. But, if these services can only take place outside New Zealand, they may be zero-rated, except for services which are intangible in nature.

Specialised tools

A New Zealand manufacturer, from 1 April 2014, can zero-rate the supply of tools if:

- they are used in New Zealand solely to manufacture goods that will be exported, and
- the goods are supplied to a non-GST registered non-resident.

The type of tools includes jigs, patterns, templates, dies, punches and similar machine tools.

The tools don't have to be exported with the goods to be zero-rated.

Supplies to foreign-based pleasure craft

Goods used on a foreign-based pleasure craft that cause or enable the craft to sail, or goods that ensure the safety of passengers and crew, can be zero-rated if the boats are in New Zealand under a temporary import entry issued by the New Zealand Customs Service (Customs).

You can also zero-rate the final provisioning of consumable stores for use outside New Zealand on foreign-based pleasure craft departing New Zealand. Foreign-based pleasure craft are defined as those pleasure craft in New Zealand as temporary imports under Customs legislation.

Consumable stores are goods for onboard consumption, and for operating or maintaining the boat. This includes fuel and lubricants, but excludes spare parts and equipment.

Before zero-rating, a supplier of maritime goods and consumable stores must be satisfied that the goods and stores are for a foreign-based pleasure craft, and that the craft is departing New Zealand. For more information, see our *Tax Information Bulletin (TIB)* Vol 13, No 11 (November 2001).

Temporary imports

The most common goods or services directly connected to temporary imports are repairs and maintenance.

So, if you use materials to repair a temporary import which then become a fixed or integral part of that import, those materials are zero-rated. If repair materials become worthless for anything else after the repair job, they are zero-rated.

If you supply goods or services to a temporary import you must keep a copy of the temporary import entry form issued by Customs.

Example

A New Zealand-owned boat that normally operates in the Cook Islands goes into dry dock in New Zealand for repairs to its propulsion system. The boat has been temporarily imported and any services and materials used to repair it would have GST zero-rated.

Transport of goods to and from New Zealand

Zero-rated services include the international journey, and any transport within New Zealand (including loading and unloading costs), as long as it's part of the international transport and is supplied by the same person or agent.

These other services in relation to international transportation are also zero-rated:

- insuring or arranging insurance
- arranging the transport.

Transport of passengers to and from New Zealand

Zero-rating applies to international transport and any other services forming a part of it.

For the transport of passengers, these other services include the international journey and any air travel within New Zealand as long as it is:

- part of the international journey
- booked at the same time as the international journey, through the same agent or supplier.

Example

Nathan lives in Napier. He visits a local travel agent and buys a single air ticket for flights from Napier to Auckland and then on to Perth.

GST isn't charged on either flight as the travel is considered to be a contract for the international journey.

Part 4 - Special supplies

Some categories of supply are exceptions to all other rules and have their own individual ones.

Agents

When a New Zealand agent, registered for GST, acts on behalf of a non-resident, unregistered principal who is outside New Zealand, they follow these rules.

- A New Zealand agent may buy supplies for the non-resident principal and may claim GST incurred when importing or exporting goods to or from New Zealand or arranging transportation.
- A non-resident, non-registered principal wants to sell goods in New Zealand but doesn't want to maintain a place of business here. The non-resident may contract the services of an agent to sell and distribute their goods. If the New Zealand GST-registered agent and the principal agree, the agent will be responsible for returning GST on the sale of the goods. The agent will be able to claim GST incurred when importing the goods into New Zealand.

Example

A non-resident art gallery decides to sell several pieces of art in New Zealand. It arranges for a GST-registered agent here to act as the supplier and importer of the artwork and manage the sale. The agent may claim for any GST paid to import the goods and is responsible for charging GST on the sale of the artwork in New Zealand.

Coin and token-operated machines

These rules don't apply to gaming machines.

Coin-operated machines

If you supply goods or services through any coin-operated device or machine, eg, a video game, snack machine or parking meter, you must account for the total value of the coins removed from the machine. Include the amount in the return that covers the date you removed the coins.

Token-operated machines

If you supply goods or services through a token-operated device or machine, you account for GST on the tokens in the same way as other tokens, stamps or vouchers - as a supply when the customer buys them.

If you receive business goods or services through a coin or token-operated machine, you may claim a GST credit in the period you paid the money.

Exported secondhand goods

If you claim a GST input credit for secondhand goods you bought and those goods are going to be exported, the full amount of the goods can be zero-rated if you meet these two conditions before the goods are entered for export:

- the goods must leave New Zealand within 28 days of the time of supply, and
- the recipient must provide a declaration (eg, in the sale and purchase agreement or other sales document) at or before the time of supply that neither they nor an associated person will cause the goods to be re-imported to New Zealand in the same condition in which they were exported.

If you don't meet both these conditions, you must account for the GST input credit you've claimed by adding this back in Box 9. It doesn't matter which accounting basis you use - you must include these details in your return:

- the sale or invoiced amount of the sale in Box 5
- the same amount as zero-rated supplies in Box 6, as long as you hold evidence of export
- $\frac{3}{23}$ of the full purchase price of the exported secondhand goods in Box 9 if the two requirements listed above are not met.

Example

Secondhand dealer, Tran, buys antique pieces for \$405 and \$515 from a non-registered person and claims $\frac{3}{23}$ of these amounts, totalling \$120. He sells them to an Australian company for \$2,200. The antiques leave New Zealand within 28 days of Tran purchasing them, and a declaration is signed by the Australian purchaser that neither they, nor an associated person will re-import the goods into New Zealand. As the supply is zero-rated, GST is charged at the rate of 0%. Tran shows the following in his return:

- \$2,200 in total sales in Box 5
- \$2,200 in zero-rated supplies in Box 6.

Costs in raising capital funds

You can claim for GST input tax incurred on supplies of financial services made to raise funds intended for expenditure in your taxable activity, to the extent that the capital funds your taxable activity.

It does not apply to persons who principally make supplies of financial services.

Example

A building company sells shares to purchase a development property that will be 80% commercial and 20% residential incurs \$6900 (including GST of \$900) in expenses to sell the shares. The company claims an input tax deduction of \$720 (80% GST for the commercial property). This is subject to further adjustment should the estimated use differ from the actual use.

Emissions Trading Scheme

The supply of these emissions units is zero-rated for GST:

- New Zealand units
- Kyoto-compliant units
- approved overseas units
- certain "grey list" or "voluntary" units, eg, voluntary carbon standard units (www.v-c-s.org) and gold standard units (www.cdmgoldstandard.org).

The supply of emissions units made under the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI) is also zero-rated.

Standard GST rules will still apply to the supply of units such as fuel costs created in the normal course of a business.

Summary table

The following table sets out the different types of emissions units transactions and their GST treatment.

Transaction	from/to	GST treatment
<i>Common transactions - New Zealand Units, Kyoto-compliant units and approved overseas units</i>		
All supplies of emissions units	prior to 1/1/09	standard-rated
All supplies of services (deemed or actual) made in exchange for emissions units	prior to 1/1/09	standard-rated
Transfer of emissions units by government	1/1/09 onwards	zero-rated
All supplies of services (deemed or actual) made in exchange for emissions units transferred by government	1/1/09 onwards	zero-rated
Surrender of emissions units	1/1/09 onwards	zero-rated
Supply of New Zealand units and Kyoto-compliant emissions units not involving the government	1/1/09 onwards	zero-rated
<i>Voluntary units</i>		
All supplies of voluntary units	prior to 1/4/10	standard-rated
All supplies of services (deemed or actual) made in exchange for voluntary units	at all times	standard-rated
All supplies of voluntary units	1/4/10 onwards	zero-rated
<i>Transactions involving the government outside the Emissions Trading Scheme</i>		
Transfer of emissions units by government	1/1/09 to 6/10/09	zero-rated
Supplies of services (deemed or actual) made in exchange for emissions units transferred by government	1/1/09 to 6/10/09	standard-rated
Transfer of emissions units by government under PFSI	6/10/09 onwards	zero-rated
Supply of services (deemed or actual) made in exchange for emissions units transferred by the government under PFSI	6/10/09 onwards	zero-rated
Transfer of emissions units by government	6/10/09 onwards	standard-rated

For further information see the *Tax Information Bulletin*, Part II, Vol 21, No 8 (October/November 2009)

Post-1989 forest land owners/permanent forest sink initiative (PFSI) participants

If you receive allocations of emissions units under post-1989 forest ownership or a PFSI, you make a supply of carbon removal services as consideration for the units. Include these services as zero-rated supplies in your GST returns.

If an unincorporated body receives an allocation of units or if multiple legal owners receive an allocation from one NZ Emissions Unit Register (NZEUR) holding account, the GST-registered body/group makes the supply to the Crown. Individuals in the allocation group don't make or receive a supply.

Foreign currency payments

If you are paid for goods or services in a foreign currency, convert the amount to New Zealand dollars using the exchange rate for the date of the GST time of supply.

To claim a GST credit you must hold a tax invoice in New Zealand currency.

GST on imported services - reverse charge

When you import services from a non-resident supplier you usually won't be charged GST if you let them know you're also GST registered. However, if you then use some or all of those services for something other than your taxable activity, you'll need to account for the GST on the non-taxable use. You add GST to the price of the services you've received, and include it as income in your GST return. This is called a "reverse charge".

If you were charged GST at the rate of 0% ("zero-rated") you will need to make an adjustment if you use the services for non-taxable use. For more information, see "Remote services supplied from outside New Zealand" on page 7.

When you acquire the services, if you estimate your taxable use of the services will be less than 95% of total use, then you'll be treated as if you supplied the services yourself in the course of your taxable activity. You'll need to add GST to the cost of those services, and include them in your GST return.

You'll also be able to claim as an expense in your GST return the GST-inclusive cost of the imported services, in proportion to your estimate of their taxable use.

You'll also need to account for the GST reverse charge on imported services if you find at the end of an adjustment period that your taxable use of an imported service was less than 95%. This is also done by adding GST to the cost of the service and including it in the relevant GST return. You will also claim as an expense the GST-inclusive cost in proportion to your actual taxable use.

Example

Melissa is a GST-registered self-employed publicist. She purchases a graphics software package from a non-resident supplier for \$400, and because she identifies herself as GST registered she is not charged GST on the purchase. She estimates she'll use the software 50% for her business and 50% for home use.

Under the reverse charge rule, Melissa is treated as supplying the software package to herself for \$460 (\$400 plus \$60 GST). She puts that amount as income on her GST return. However, she can also claim half of that amount as an expense, to reflect her business use of the software. She does this by putting \$230 (\$200 plus \$30 GST) as an expense in the same GST return.

For more information about GST on imported services see our *Tax Information Bulletin (TIB)* Vol 16, No 10 (November 2004) and our GST guidelines for recipients of imported services.

Lotteries and other games of chance

If you run raffles, lotteries, or other games of chance, you must account for the proceeds of the lottery (eg, total sales of tickets or cards) less the total amount of cash prizes.

Example

Total proceeds of a raffle were \$1,070 (535 tickets at \$2 each). Cash prizes were:

1st	\$ 500
2nd	\$ 200
3rd	\$ 100
Total	\$ 800
Total proceeds	\$ 1,070
Cash prizes	\$ 800
Difference	\$ 270

You must include \$270 in Box 5 of the return for the taxable period covering the date the raffle was drawn.

If one raffle has a number of draws, account for the GST in the return covering the date of the first draw.

You can claim GST for the cost of non-cash prizes in the normal way.

Non-resident businesses and GST

The GST rules for non-residents depend on the circumstances of the business.

Non-resident GST business claimants

Non-resident businesses that don't carry out a taxable activity in New Zealand, but receive goods or services here, may be able to register for and claim GST.

Non-resident businesses supplying remote services

Non-resident businesses that supply remote services, including online services, from outside New Zealand to customers resident in New Zealand may be required to register for GST if they meet certain conditions.

For full details go to www.ird.govt.nz (search keywords: non-resident GST).

GST on assets sold by not for profits

Generally, GST input credits can be claimed for the purchase of an asset or for expenses that include GST relating to that asset.

Where input credits are claimed, the asset will be considered part of the GST activity.

In these situations, GST output tax will be payable on the disposal of the asset or an equivalent event (eg an insurance pay-out in the event of a fire).

From 1 April 2019 there will be a 24-month transition period that a not for profit can elect to remove an asset from their GST base where it is not part of the taxable activity.

Any GST input credits claimed for the asset will need to be repaid.

The election will need to provide details of the asset, calculation of input credits being repaid and period of election.

Elections should be sent to Charities.queries@ird.govt.nz

Part 5 - Further GST rate change adjustments

Adjustments for finance lease payments

The supplier (lessor) of goods under a finance lease is able to elect for the GST rate on payments made after 1 October 2010 to remain at the rate of 12.5%, provided all these conditions are met:

- The term of the finance lease began before 1 October 2010 and ends on or after 1 October 2010.
- The term of the finance lease is less than or equal to five years.
- The lessor advised the purchaser no later than 31 October 2010 that the GST rate on payments after 1 October 2010 would remain at 12.5%.

If you make or receive payments for a finance lease after 1 October 2010 that have GST included at 12.5%, you need to account for these as an adjustment in the GST return for the period in which the payment is made or received. The GST component of the payment can be calculated by dividing the amount of the payment by 9.

If you are making the payment, include this amount as an "other" adjustment in the bottom part of your *GST adjustments calculation sheet (IR372)*.

If you are receiving the payment, include this amount as an "other" adjustment in the top part of your *GST adjustments calculation sheet (IR372)*.

A finance lease eligible to have payments continue at the GST rate of 12.5% must have met the following criteria:

- Periodic payments are made during the term of the agreement.
- Part of the amount payable under the agreement is towards credit (interest) under a credit contract.
- If the agreement were to end early, the final amount of GST calculated for the supply of goods would be calculated on the basis that the amount paid towards the credit (interest) had decreased with each periodic payment.

Adjustments for qualifying supplies

In your GST return that covered 30 September 2010 you may have made a GST rate change adjustment.

The GST rate change adjustment was needed for any "qualifying supplies" that had GST charged at the 12.5% rate but wouldn't be accounted for until after 1 October 2010. Your qualifying supplies depended on your accounting basis.

Payments (or cash) basis

Qualifying supplies were all goods and services:

- bought and invoiced on or before 30 September 2010, where full payment was not made by 30 September 2010
- sold and invoiced on or before 30 September 2010, where full payment was not made by 30 September 2010.

Invoice basis

Qualifying supplies:

- are any secondhand goods bought from a non-GST-registered person on or before 30 September 2010, where full payment wasn't received by 30 September 2010
- didn't include goods or services you've sold.

Hybrid basis

Qualifying supplies:

- are all goods and services bought on or before 30 September 2010, where full payment wasn't received by 30 September 2010
- didn't include goods or services you've sold.

The amount of each qualifying supply was the amount unpaid by 30 September 2010 and not written off as a bad debt by that date.

- ▶ Zero-rated or exempt supplies were not included in your qualifying supplies.

If, after making a GST rate change adjustment, you either write off a qualifying supply as a bad debt, or a credit or debit note is issued in relation to a qualifying supply, a further adjustment will be required.

Bad debts

If you write off a qualifying supply that you included in your GST rate change adjustment, calculate your further GST rate change adjustment by dividing the amount written off as a bad debt by 51.75. The result is the amount of GST payable. Include this amount as an "other" adjustment in the top part of your *GST adjustments calculation sheet (IR372)*.

Debit/credit notes

If you issue or receive a credit or debit note for a qualifying supply you've already included in your GST rate adjustment, calculate your further GST rate change adjustment like this:

- Subtract from the GST-inclusive price on the original tax invoice the GST-inclusive price on the new debit or credit note.
- Divide the result by 51.75.

If the result is a positive amount, you have GST to pay. Include this amount as an "other" adjustment in the top part of your *GST adjustments calculation sheet (IR372)*.

If the result is a negative amount, you have a GST credit. Include this amount as an "other" adjustment in the bottom part of your *GST adjustments calculation sheet (IR372)*.

Part 6 - Services you may need

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.

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

Our contact centre hours are 8am to 8pm Monday to Friday, and Saturday between 9am and 1pm. We record all calls. Our self-service lines are open at all times and offer a range of automated options, especially if you're enrolled with voice ID.

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

Business Tax Update

Get all your business tax news in one newsletter. Our *Business Tax Update* gives you updates on PAYE, GST, FBT and other relevant tax issues. Subscribe at www.ird.govt.nz/subscribe and we'll send you an email when we publish each issue.

Tax Information Bulletin (TIB)

The TIB is our monthly publication containing detailed technical information about all tax changes. You can find it on www.ird.govt.nz under "Newsletters and bulletins" and subscribe to receive an email when each issue is published on our website.

Tool for business

This online, interactive tool lets you find out what you need to know for your business. Go to www.ird.govt.nz/tool-for-business

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 (search keyword: privacy).

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.

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 entering the shoulder number in the search box. You can also order copies by calling 0800 257 773.

For more information

Go to www.ird.govt.nz/gst for more information on the topics covered in this guide.

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.