



JUNE 2014 NEWSLETTER

Cheques in the mail...may be not for much longer!

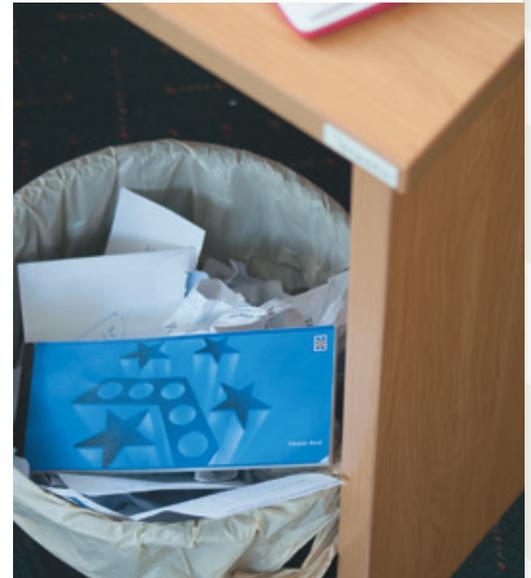
From 1 October 2014 tax payers will no longer be able to make cheque payments or drop off returns or forms at a Westpac branch.

Tax payments can still be made at a Westpac branch, however the only method of payment accepted will be cash or eftpos.

This is also being followed up with a change in policy by the IRD, regarding cheque payments made by post. Previously if the cheque was posted on the due date this was accepted as being paid on time, from 1 October 2014 the IRD will require that the cheque payment is received by the due date.

This continues the push by the IRD to have taxpayers filing their returns and paying electronically. They already receive 70% of their payments electronically and are encouraging all taxpayers into paying them electronically.

Gone are the days of dealing with a person!



Year end reminders

Here is a list of things that we may need in order to prepare your financial statements and taxation returns; generally we gather this information at your interview. However for those of you who like to "be prepared" or are new to the practice we thought this list might be helpful.

- **New Bank Loans**, balance outstanding at year end, security, interest rate, loan term
- **New Hire Purchase Items**, interest rate, term and repayment plan
- **Vehicle/Plant & Equipment Purchases**, agreements. Was finance obtained?
- **Closing Stock and WIP (Work in Progress)**. Stock on hand at year end? Any un-billed work in progress?
- **Income**, include details of Wage or Employer Subsidies, additional income as defined for Working for Families
- **Bank Statements**. If you use MYOB, Xero or a similar system, copies of final bank and credit card statements to let us check the reconciled balance
- **Property/Business Sales/Purchases**, agreements and settlement statements
- **Debtors and Creditors**. What is owed by or to your business, including whether amounts are GST inclusive or exclusive?
- **Donations?** Receipts please
- **Interest, Dividends and Rebates?** Provide details



Changes in the wind for small companies

The Financial Reporting Act 2013 has had a significant impact on the reporting requirements for companies with the removal of the need to prepare detailed financial statements and comply with accounting standards.

Although the new Act removes the requirement for many "small" companies to prepare general purpose financial statements, the Tax Administration Act 1994 is being amended to empower the IRD to specify requirements for "small" companies to prepare more limited special purpose financial statements for taxation purposes, with other business organisations to be consulted on this year.

The IRD has recently released a discussion paper outlining these key requirements. From the correspondence we have seen, companies will be required to prepare accounts with minimum disclosure details which is what we currently provide, so the end result of all this will be no change for our small company clients.

PIR rates

Each year it is a good idea to check that you're PIE investments are being taxed at the correct rate. These investments are taxed based on the PIR (Prescribed Investor Rate) that you provide to your bank or other financial institution that manage your investments and is based on your taxable income for the prior year.

If the rate is too high you miss out on claiming a refund of overpaid tax as this is deemed a final tax. A rate that is too low needs to be accounted for in your tax return, so that you can catch up any tax owing.

If you are unsure, just include your year end statements with your records and we can review your position so that you can inform the PIE provider with the correct details.



ACC rates reduction for 2015 – an extra dollar in the hand each pay.



The current tax year is well underway and if you receive a wage or salary you will be enjoying a little extra in the hand, thanks to a reduction in ACC levies from 1 April 2014.

The ACC earner premium was reduced from \$1.70 per \$100 of earnings down to \$1.40 per \$100 of earnings.

It may have only been a dollar or so extra, but a dollar here and there soon adds up!

Employment titbits

The minimum wage increased from \$13.75 to \$14.25 on the 1st of April 2014 and applies to all workers over 16 years of age whom are not starting-out workers or trainees

If you are looking to employ school leavers or a young person who is training or has perhaps been on a benefit, then you can take them on under the starting-out and training minimum wages, which from 1 April was \$11.40 per hour.

eXPired technology

Microsoft has ended its support for Windows XP and Office 2003 from this year. It doesn't mean that your computer will suddenly stop working, it just means that updates will no longer be provided for this software along with support and technical updates. So your computer will eventually become more vulnerable to security risks and viruses.



Computers are becoming an integral part of everyday life, especially in business and with the push to transact more online, especially from the IRD, it is a good idea to ensure that your computer is safe and up to date.

Keep in touch...

For further help on any of the articles featured in this newsletter or any other tax questions you may have feel free to contact either Bryce, Hayden or one of the team members.

Staffing the busy season

We are aware that the Department of Labour is taking a good look at the dairy industry, with a focus on the hours being worked by employees. Keeping accurate time records of your staff will ensure that you don't run into trouble with the department of labour or your employees for that matter, should you ever be questioned.

There are a lot of issues involved with the employment of staff, especially in the agricultural sector when the nature of the job can be very seasonal and means that it doesn't fit into an 8 to 5 working day. Understanding these challenges and mitigating any risks is important so if you need any advice in this area, feel free to ask.



Fuel Tax – Are you claiming your rebate?

All petrol includes in its price an excise duty element and an ACC element that you may be eligible for a refund of if you have an "exempt vehicle".

An exempt vehicle includes any motor vehicle or petrol powered machinery that doesn't operate on the road or a commercial vessel.

Most farm vehicles or machinery would qualify for this exemption and it is not a difficult claim to make.

The form required to apply for the refund is an MR70 and can be located on the NZTA (New Zealand Transport Agency) website, along with all of the details you require with regards to making a claim.

Claims need to be lodged quarterly and within three months of the close of the quarter, to receive the full refund, if you miss this deadline or are wanting to claim further back, then you can claim up to two years back

from the current quarter, however there is a 10 percent reduction for late filing.

You will need to make sure you keep all your receipts for fuel purchases and claims can be subjected to an audit.

If you think you qualify and would like assistance with this we are happy to help.



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