

A word from Ed ...

Spring is here, and for a lot of businesses we're entering a busy (and silly) season!

Inland Revenue has been in the news a bit lately, including confusing taxpayers with direct communication to letterboxes. We've experienced this too when a client of ours (a pensioner) received a letter from IRD asking them to change their tax code on their NZ Superannuation. Tax codes don't always take into account other income, and there are various options we can use in those circumstances.

More concerning, IRD has been telling some of their "clients" that tax is due "soon", but in fact it's not due for a few months. So if you receive mail from Inland Revenue which causes concern, confusion or questions, please always give us a call, 03-358-1330.

On a positive note, Inland Revenue continue to upgrade their online services, which makes providing feedback much easier and their responses more timely.



Spotted in the news ...

In The Press on 30 October 2019, two 'taxing' items caught our eyes. Read on for an overview, or visit www.stuff.co.nz/the-press for the full articles.

"House flippers in tax sights"

- Inland Revenue is proposing a change to the law that would stop "habitual" house flippers from avoiding tax on their profits.
- It follows the Government's decision not to pursue capital gains tax.
- Generally if there is no intention to resell the "main home" property when it's bought, then no tax is payable by an individual, unless the buyer/seller is considered habitual in their transactions.
- The suggested amendment to the law is to cover groups and entities rather than just individuals, as IRD believe many individuals are getting around any tax payable by using their spouse or family trust to own the property. In addition, by applying the definition of a "pattern" more broadly, and including the buyers' and sellers' IRD numbers in the sale and purchase documents, IRD will have a clearer oversight of these transactions.

~ Article by Henry Cooke

"IRD targets hospitality tax dodgers"

- In Queenstown, Inland Revenue staff recently visited cafes/restaurants/bars as part of IR's campaign to uncover tax evasion, due to the hospitality sector having a high risk of cash sales not being reported, and under the table payments.
- One area of concern is business owners swapping work for accommodation.
- IR used court-issued warrants to seize wage records/computers/business records, and information on employer-provided accommodation, rental properties, Working for Families Tax Credits, and other payroll details.
- Read up further on IR's "Sleep Easy" campaign, aimed at encouraging keeping good business records.

~Article by Debbie Jamieson



Xero's free small business information sessions

Thursday 21st November

Christchurch Town Hall

A reminder that Xero's NZ Roadshow is this month!

Drop in between 9:00am-4:00pm

Take your own device and any questions you might have with you.

Evening Sessions 5:30pm-7:00pm

In addition to their daytime drop in sessions, Xero will be hosting evening sessions.

CONTACT OUR TEAM:

EPA Business Limited
 Unit 3, 15 Sir Gil Simpson Drive, Burnside, Christchurch
 PO Box 79126, Avonhead, Christchurch 8446
 P: 03 358 1330
 E: info@epabusiness.co.nz
 W: www.epabusiness.co.nz

