



**Horton & Co Ltd**  
chartered accountants

# NEWSLETTER

**March 2015**

This has been another busy and rewarding year for the team at Horton & Co. We would like to thank our clients and also welcome new clients who have joined us this year. The following are a few things we would like to inform you about.

## Minimum Wage

**From 1 April 2015 the adult minimum wage rate will increase from \$14.25 to \$14.75 an hour.** The starting-out wage and training minimum wage will also increase from \$11.40 to \$11.80 an hour (80% of the adult minimum wage). This is a good time to review your staff wages, budgets and payroll compliance.

PAYE

## Annual Account & Client Questionnaire

We find the accounts that take us the longest to complete are the ones that we stop half way through because of missing documents. These are usually Bank interest certificates, Fonterra dividend or fertiliser rebate statements. Please make sure you have read your client questionnaire and checked through the list on the second page.

Bear in mind most banks are now charging you, the client, when we require any missing bank statements.

Financial Institutions are now charging large fees to obtain copies of dividend statements, so please ensure that when you receive these in the mail they are kept safe as they are essential for completing your tax returns.



At the time of your balance date you will receive a Client Questionnaire which needs to be completed to assist with the preparation of your Financial Statements and Income Tax Returns. Attached to the questionnaire is a copy of your asset schedule. Please take a look at this and let us know if any changes or updates are required.

To comply with the New Zealand Institute of Chartered Accountants requirements for account preparation, it is essential that the Client Questionnaire is **signed and returned to us**.

## GST Information

Please note that GST is not able to be claimed on repairs and maintenance expenditure in respect of your employee's dwelling or any residential dwelling.

The other important information for GST is deposit descriptions. When you are depositing money at the bank please write a description on the deposit slip of what the deposit was for.

Also please be aware when you pay your bills via internet banking to make sure the reference fields etc have been completed with as much detail as possible.

### **Excise Duty Refunds**



Do you purchase on farm petrol? If you do, have you ever thought about claiming back the excise tax?

Excise duty on petrol is the NZTA's way of getting the public to fund roading projects. As at 1 July 2013 this payment increased to 63 cents per litre. If your business uses petrol that is not used on the road (farm bikes, chainsaws, generators etc) you may be eligible for a refund on the excise tax. Please get in contact with us if you would like further information on this.

### **BankLink Invoice Plus & Payables Plus**

Are you finding it time consuming managing your invoicing and debtors? BankLink's Invoice Plus product can greatly reduce the paperwork for you. Invoice Plus is very simple to operate and allows you to create invoices and quotes with ease.

Payables Plus is the BankLink product to manage your incoming invoices. Again, very easy to operate - no more hunting through cheque butts to see if you have paid an account or not.

If you are interested in using either of these products please talk to our staff.



### **IRD Numbers for Children**



You can now apply for your baby's IRD number when you register the birth with the Department of Internal Affairs. You will need IRD numbers for your children to be able to receive Working for Families Tax Credits (WFFTC). It is now as simple as ticking a box on the birth registration form.

If the baby's birth has already been registered, you will need to apply for an IRD number in the usual way by completing an IR595 from the IRD website. Please advise us of any IRD numbers you obtain for your children so we can update our records and any WFFTC due.

### **Paying Inland Revenue by Cheque**

If you make payments by cheque, it's important that you consider potential delays when posting your payment to Inland Revenue or forwarding cheques to our office. New Zealand Post recommends you allow 3-4 working days for delivery from cities and towns and 5-10 working days from rural areas. Another option that works for many of our clients is to leave a few signed cheques made out to Inland Revenue on file at our office.

### **Scam E-Mails & Direct Communication from IRD**

A reoccurring issue - Please beware of scam e-mails sent by people posing as the Inland Revenue Department. Inland Revenue **will not** e-mail you directly, so **do not respond** to any such e-mails. Ensure that you delete the e-mail completely from your computer.

We have also been made aware of clients receiving text message reminders direct from Inland Revenue.

These are not scams however there is no need to respond as we send out all tax due notices from our office, if you are concerned please call us first.

## **Tax**

Provisional tax dates for **March** balance date clients:



GST Filing Frequency	Number of Provisional Tax Instalments	Payment Due Dates
One or two monthly	Three Instalments	28 <sup>th</sup> August 15 <sup>th</sup> January 7 <sup>th</sup> May
Six monthly	Two Instalments	28 <sup>th</sup> October 7 <sup>th</sup> May

Provisional tax dates for **June** balance date clients:

GST Filing Frequency	Number of Provisional Tax Instalments	Payment Due Dates
One or two monthly	Three Instalments	28 <sup>th</sup> November 28 <sup>th</sup> March 28 <sup>th</sup> July
Six monthly	Two Instalments	28 <sup>th</sup> January 28 <sup>th</sup> July

## **Income Tax Rates for Individuals**

The tax rates below apply from 1 April 2014 to 31 March 2015.

<b><u>Income tax rates</u></b>	<b><u>Tax Rate</u></b>
\$0 - \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30%
\$70,001 and over	33%
No notification (No Tax code declaration - IR330)	45%

### **De-Linking**

Please do not de-link yourself from our agency with the Inland Revenue Department. If you have tax concerns please talk to us first. When you are de-linked we do not receive any tax data, and you will also lose your extension of time.

### **Donations**

Avoid getting involved in scams, even if you think they might be helping someone. This includes assisting a charity to dodge GST. For a donation rebate to be allowed, the charity must be approved by the IRD. Make sure your donation is legitimate. Go to <http://www.ird.govt.nz/donoe-organisations/> for a list of approved charities.

### **Staff Casual Attire Friday**

We have decided as an office to adopt casual dress Fridays.

In return for this the staff all make a fortnightly donation to the Blind Foundation's Red Puppy Appeal.



*Maybe the policy on casual Friday attire should have been a little clearer!*

The team at Horton and Co Chartered Accountants  
look forward to working with you to help you achieve your business goals in 2015.

### **Contact Details**

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