

NEWSLETTER

March 2019

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. Copies of questionnaires and stock sheets are on our website www.ljhorton.co.nz under the 'news' tab.

Remember the earlier you get your records to us after your balance date the better. It is much easier to sort out relevant documents and stock on hand now than it is six months or more down the track.

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

IRD Scam Emails

There is a tax refund scam circulating at the moment. Scammers are emailing customers pretending to be from Inland Revenue. The email instructs customers to provide details through an attachment to receive a tax refund. Should you receive a scam email, **do not open the attachments and delete the email**.

Changes to the Law

The Government has made changes to the law. Businesses are now required to put preventative measures in place to help tackle money laundering and financing of terrorism. The legislation extends the current AML/CFT regime to lawyers, conveyancers, accountants, real estate agents, sports and race betting, and businesses that deal in certain high value goods.

The law requires us to collect and verify information to show that we know our clients are who they say they are. This includes collecting specific information from you, holding proof of ID and verification of your physical address. In certain circumstances we will also be required to obtain evidence of the source of funds used to settle a transaction.

We may hold existing information that satisfies some of our customer due diligence requirements and where we do, we will only request the documentation we need to complete the process. For existing clients, we will update our customer due diligence information next time we receive an instruction from you or when your circumstances change.

For new clients, we will need to complete customer due diligence before we act on your instruction and will incorporate this into our new client engagement process. For existing clients could you please provide a copy of your driver licence or passport.



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 th August 15 th January 7 th May
Six monthly	Two Instalments	28 th October 7 th 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 th November 28 th March 28 th July
Six monthly	Two Instalments	28 th January 28 th July

[Income Tax Rates for Individuals](#)

The tax rates below apply from 1 April 2018 to 31 March 2019:

<u>Income tax rates</u>	<u>Tax Rate</u>
\$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%

Changes to myIR

From 26th April 2019 changes to MyIR will allow us to make payments through the IRD site for income tax.

The myIR home page will look different it'll be similar to how the My Business section looks now.

To make these changes IRD key services will be unavailable between 3pm 18th April and 8am 26th April 2019.

Minimum Family Tax Credit

Working for Families is usually income tested. It is available for almost all families with children earning under \$65,000 a year, many families with children earning up to \$80,000 a year and some larger families earning more. Anyone receiving Working for Families will need to provide a bank account with IRD to receive credits. There will be no more cheques.

Best Start year one payments are not income tested. Best Start is available for all families with a child under one.

Kiwisaver Proposal

Proposed KiwiSaver legislation change:

From 1st April KiwiSaver members will have two new contribution rates to choose from: 6% and 10%

From 1st July 2019 those 65 years and over will be able to opt into KiwiSaver.

Minimum Wage & Employer Obligations

The Government announced the minimum wage will increase to \$17.70 an hour on 1st April 2019 an increase of \$1.20 per hour.

The starting-out and training minimum wage rates will increase from \$13.20 to \$14.16 per hour remaining at 80 per cent of the adult minimum wage.

Payday Filing Obligations

From 1 April 2019 employers must:

file employment information every payday instead of an *Employer monthly schedule (IR348)*

provide new and departing employees' address information, as well as their date of birth (if they have provided it to you), and File electronically (from payday compatible software or through myIR) if your annual PAYE/ESCT is \$50,000 or more.

The due dates for payment remain the same - payment is due the 20th of the month or 5th and 20th for twice-monthly payers.

ir-File discontinued: The ir-File service in myIR, used to file Employer Monthly Schedules and Employer Deductions forms, has been discontinued. The 'Payroll' account replaces this, which is available now in the My Business section of myIR.

Changing from MYOB Banklink to MYOB Essentials Connected Ledger

Many of you will be aware that we use Banklink software to assist with the preparation of your GST Returns. As from 1 April 2019 our Practice is changing to new software called MYOB Essentials Connected Ledger. The MYOB Essentials is an online application which means if you are a Banklink Books client the file no longer needs to be checked in and checked out. Online software allows both the Accountant and the client access at all times. The MYOB Essentials software is compatible with the MYOB Accountants Practice software which we use to prepare your Annual Financial Statements. For those of you using stand-alone software to prepare your GST Returns, you may wish to consider changing to MYOB Essentials Connected Ledger. There are many advantages to using online software - we can easily log in and assist if required; no software upgrades for you to address; compatibility with our Accountants Practice software. Please contact us if you would like to discuss further.

New Proposals to Simplify Personal Income Tax

The Government is proposing to make tax simpler for individuals, with people whose only income is from a salary, wages or investments no longer being required to file tax returns to receive tax refunds or to calculate any additional tax.

Key changes:

- Making the tax refunds process automatic
- Moving from cheques to direct credited refunds
- Ability to claim donation tax credits online
- Helping people to pay the right amount of tax during the year
- Making all tax returns easier to complete

Under this new system people will be much less likely to end up with large tax bills at the end of the year. They'll be paying a more accurate amount through the year and receive any refunds automatically.



Dividend and Interest Certificates

Dividend Statements can be received electronically, please bear in mind that we will still require a copy for the end of year processing. So please print, download or email them directly to us as soon as you receive them.

You can print interest certificates from your internet banking page when they become available usually the bank will put a note on the internet page to show they can now be retrieved and printed.

If you have an investment in **Computershare** or **Link Market Services** you could pay for an Annual Tax Summary which will include an end of year tax summary, which holds all the information we require to complete your tax return. This also stops the issue of having to find all those pesky statements that we request at year end. Please find the links below to complete this:

<https://www.computershare.com/nz/portfolio-tax-pack>

<https://ats.linkinvestorservices.co.nz/home>

Also a reminder if you are storing your records on your computer - please ensure your backup and anti-virus systems are adequately in place.

Buying or Selling Property

If you are looking at buying or selling any property, we cannot stress the importance of contacting us first **before you sign any agreements** as it is essential we discuss the tax implications that may occur.

As the seller and buyer often have differing interests, both parties will likely want to arrange the sale and purchase to achieve their most favorable outcome. Any tax consequences should be factored in so that you can report these accurately and on time to Inland Revenue.



How Are You Managing Your Tax Payments?

If you're having issues balancing your cash flow as it is, it's more important than ever to have a tax plan that suits your business. If you think your situation has changed since we last talked about your provisional tax, please let us know as soon as you can.

For those clients that we prepare GST Returns for - please take a close look at the cash flow reports that we send you, as these will be of help with any budgeting.

We want to make sure you don't incur penalties or interest because of late or unpaid tax. We can liaise with Inland Revenue so that managing your tax obligations are more workable for you, and most importantly discuss any issues before they arise.



We have moved

We are now settled into our new office in Fitzroy and our clients and staff are happy with the ample parking and ease of access.

If you have not popped in yet we are located behind the TSB bank in Fitzroy. We have large signage so you can't miss us.

Staff Updates

In February 2019 Jess left and Jane Vanner returned.

Jade has a new baby boy and now works three days a week Monday, Wednesday and Friday.

Anne has been to South Africa for six weeks and has returned fresh to get back into her tax administration work.

The team at Horton and Co look forward to working with you to help you achieve your business goals in 2019.

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