

ACCELERATE

END OF YEAR - SPECIAL TAX ALERT

MARCH 2026

The season of spreadsheets, receipts, and “where did I save that?” is upon us! With the end of the financial year here, now’s the time to pull together key information, double-check expense claims, and give your record-keeping a quick health check.

We know tax prep isn’t anyone’s favourite job, but a little housekeeping now can keep costs down, reduce back-and-forth, and help us prepare your return more efficiently.

Below is a simple EOFY checklist, followed by a closer look at a few areas that commonly confuse (and frustrate!) when it’s time to submit your return.

Get tax-ready: your year-end checklist

Use this list as a starter to flag anything relevant to your business, gather the right information, and avoid last-minute surprises.

- **Provisional tax**

If your income this year was significantly higher or lower than expected, let us know: this could affect your provisional tax eligibility. Depending on your situation, tax pooling may also be worth considering to manage provisional tax obligations.

- **Capital expenses**

Have you bought anything for the business that will be used for more than one year (think: vehicles, equipment, machinery)? If so, let us know, and we’ll determine whether it should be depreciated (including considering the new the 20% investment boost deduction) or treated as an expense.

- **FBT (Fringe Benefit Tax)**

Do you offer non-cash perks to your staff, like a company car, a fuel card, or entertainment vouchers? These benefits fall under FBT and are reported separately from income tax.

- **Crypto**

See the last page for more info.

- **Foreign investments**

If you have foreign investments (shares, bonds etc.) makes sure you let us know even if you don’t receive any distributions, the tax rules for foreign income are different to domestic investments.

- **Rental properties**

Own a rental property? Make sure your interest and expense records are complete up to 31 March 2026, particularly now that residential interest deductibility has been fully restored for the 2026 income year. Let us know about any sales of properties during the year, as well as any rental properties owned that are offshore.

- **Food and fun**

Entertainment and meals are two of the most common sources of confusion at EOFY. Check that your records are clear, correctly categorised, and supported by receipts. Unsure what’s deductible? Just ask: that’s what we’re here for.

- **Trust income**

With trust income subject to tax at 39%, talk to us about distributions and other considerations around trust ownership of assets.

- **Write off bad debts**

If you have debts that are unlikely to be recovered, make sure you write them off before year-end. This must be done before your financial accounts are finalised, as only debts written off in time are deductible for tax purposes.

- **Stocktake**

Perform a stocktake to identify obsolete or slow-moving stock to write down its value.



Inland Revenue takes a tougher stance on tax debt in 2026

Inland Revenue has stepped up its approach to overdue tax with faster follow-ups, closer monitoring, and earlier enforcement for businesses that fall behind.

Part of this shift comes from improved technology and automation, which have allowed them to detect overdue balances sooner and respond more consistently.

Carrying tax debt? Act early.

Inland Revenue is far more willing to work with businesses that make contact before debt snowballs. They encourage businesses to clear overdue balances or set up instalment plans straightaway.

Prevention is better than cure

Now is a great time to consider your cashflow for the year ahead, factoring in seasonal dips, late invoices, and potential expenses. But you don't have to go it alone. If you're dealing with debt – or trying to avoid it – our accountants and financial advisors are here to help!

IRD Signals Aggressive New Stance on PAYE Non-Payment

Inland Revenue has issued a rare Revenue Alert (RA 26/01) signalling a significant shift in its approach to employers who fail to remit PAYE deductions.

This alert indicates that non-payment of PAYE is now being treated as a top-tier compliance risk, with Inland Revenue prepared to escalate matters from civil penalties to criminal prosecution much more readily.

Inland Revenue's message is unequivocal: non-compliance with PAYE obligations will no longer be tolerated and will be met with the full force of the law.

KiwiSaver Changes from 1 April 2026

Significant changes to the KiwiSaver scheme are set to take effect from 1 April 2026. These reforms will alter minimum contribution rates for both employers and employees and, importantly, extend compulsory employer contributions to younger workers. It is crucial for all employers to understand these new obligations to ensure their payroll systems and processes are compliant.

Action Points for Your Business

To prepare for these changes, we recommend the following steps:

- 1. Update Payroll Systems:** Liaise with your payroll software provider to ensure your system will be updated to handle the new 3.5% default rate and allow for the 3% temporary reduction override.
- 2. Review Your Workforce:** Identify all employees who are currently 16 or 17 years old and are KiwiSaver members. Plan for the additional cost of their employer contributions.
- 3. Communicate with Your Team:** Inform your employees of the upcoming changes. Let them know that their contribution rate will automatically increase to 3.5% unless they provide you with a temporary rate reduction certificate from Inland Revenue.
- 4. Budget for Increased Costs:** Factor the 0.5% increase in employer contributions for all KiwiSaver-contributing staff, plus the new 3.5% contribution for 16- and 17-year-olds, into your financial forecasts.

For more information, please visit:
[IRD - Kiwisaver Changes](#)

Now for a quick refresher on...

How to claim home office expenses

Home office claims aren't one-size-fits-all. Before submitting your info, it's a great idea to review your setup and run through the following:

- What percentage of your home is used for business purposes?**
Don't have a dedicated workspace? Your calculations should reflect the area you do use, and the time you spend working from home.
- Has anything related to your home office changed during the past year?**
Did you move house, change your phone or internet plans, or shift where or how you work at home?
- Which household costs are you claiming a portion of?**
Such as rates, insurance, power, and rent or mortgage interest.

If you'd like a hand, let us know, and we'll send you a simple home office expense form to help you calculate your costs.

Using a motor vehicle for business

To help us apply the correct claim and IRD rates to your motor vehicle, we'll want to know:

- Your **odometer reading on 31 March**.
- The **total kilometres travelled** for the year.
- Your **business kilometres travelled** during the year.
- Whether you've **exceeded 14,000 business kilometres** (this affects whether Tier 2 IRD rates apply).
- Whether any vehicles were **purchased or sold** during the year.

Tracking kilometres:

A 90-day logbook can also be used to work out your business vehicle use percentage. That percentage can generally be used for **up to three years**, unless your business use changes by more than **20%**. If it's been three years, it's time for a new logbook.



Do you invest in Crypto Assets?

From 1 April the IRD will gain a much clearer view of New Zealand-based cryptocurrency activity as all crypto-asset service providers will be required to collect and report user transaction data and tax residency information.

If you have invested in crypto assets please remember that any disposals — which includes selling for cash, swapping for another crypto, or using them to buy goods or services—is generally a taxable event. To ensure compliance, we require a complete transaction history from all your exchanges and wallets so we can accurately calculate your tax position for the year.

Tax Calendar

DATE	CATEGORY	DESCRIPTION
30 March	GST	Payment and return for February.
31 March	Income tax return	Final due date for the 2025 income tax return where we prepare these.
7 April	Income Tax	Payment date for 2025 terminal tax.
20 April	PAYE	Payment due. File employment information within two working days after payday.
20 April	RWT/DWT	RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during March.
7 May	GST	Payment and return due for March.
7 May	Income tax	Final due date for the 2026 provisional tax.

Note: any provisional tax due dates where noted apply to those clients who pay provisional tax on the standard uplift or estimation basis and have a March balance date. Different dates apply for those clients who have different balance dates, or use the Ratio or AIM method. Contact us if you would like to check your provisional tax payment obligations.