

## Income Tax Rates

Taxpayer Type	Taxable Income	2023 Rates
Individuals	\$0 to \$14,000	10.5%
	\$14,001 to \$48,000	17.5%
	\$48,001 to \$70,000	30%
	\$70,001 to \$180,000	33%
	Over \$180,000	39%
Companies	All income	28%
Trusts	Trustee's Taxable Income	33%
	Child beneficiary income (under 16 yrs) taxed at 33% on earnings in excess of \$1,000	

ACC Earners' Levy is \$1.53/\$100 for all employees up to maximum gross income of \$139,384 per year (from 1<sup>st</sup> April 2023).

### Resident Withholding Tax

Interest	10.5%, 17.5%, 28% (can elect if a company), 30%, 33% or 39% 45% if IRD number not provided
Dividends	Imputation credits at 28% plus RWT at 5%

### Non Resident Withholding Tax

Interest	15% (10% in most tax treaties or approved issuers 2% levy)
Dividends	30% (15% in most tax treaties)

### Use of Money Interest

Taxpayers with residual income tax greater than \$60,000, those that estimate their provisional tax, or those who do not meet all of their obligations, are liable for UOMI at 10.39% for underpaid tax and receive 3.53% on overpaid tax from 9<sup>th</sup> May 2023.

### Income Tax for Individuals

Individuals whose income is derived solely from wages (including superannuation and benefits) and/or investments (such as interest from bank deposits and savings), will be sent an automatic income tax assessment which calculates if you are due a tax refund or if you have tax to pay.

### Provisional Tax

The provisional tax threshold for the 2024 tax year is \$5,000 of residual income tax.

### Asset Capitalisation Threshold

The asset capitalisation threshold is \$1,000 from 17<sup>th</sup> March 2021.

## Salaries & Wages

### Minimum Wage Hourly Rate

The minimum hourly rate is:  
16 yrs & over \$22.70

### Starting Out and Training Wage

Eligible 16 to 19 year olds can be paid 80% of the adult minimum wage for six months.

### Payday Filing

You must file your employment information form as you pay your employees. This must occur within 2 working days of each payday.

### PAYE Deductions

PAYE deductions < \$500,000 p.a, PAYE is due on 20<sup>th</sup> of the following month.

PAYE Deductions > \$500,000 p.a, PAYE is payable twice monthly as follows:

1 <sup>st</sup> to 15 <sup>th</sup> month	20 <sup>th</sup> same month
16 <sup>th</sup> to last day	5 <sup>th</sup> following month

### Common PAYE Rates

### Casual Agriculture Workers (CAE)

19.03%

## The Brightline Rules

- On or after 27<sup>th</sup> March 2021; the 10 year test (or a five year test for new builds)
- Between 29<sup>th</sup> March 2018 and 26<sup>th</sup> March 2021; the five year test
- Between 1<sup>st</sup> October 2015 and 28<sup>th</sup> March 2018; the two year test

## Fringe Benefit Tax

### FBT Rate

63.93% or multi-rate calculation of 11.73%, 21.21%, 42.86%, 49.25% or 63.93% dependent on employee remuneration.

### Return Periods

Quarterly or Annually

### FBT Value of Motor Vehicles

5% per quarter of original cost of vehicle (incl GST) or 9% per quarter of tax book value.

### Low or Interest Free Loans

The benchmark interest rate (reviewed quarterly) is 7.89% from 1<sup>st</sup> April 2023.

## Income Tax Payment Dates

Month of Balance Date	Provisional Tax Instalments Due 28 <sup>th</sup> of Month (except as noted)			Terminal Tax Due 7 <sup>th</sup> of Month
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	
October	Mar	Jul	Nov	Nov
November	7 May	Aug	15 Jan	Dec
December	May	Sep	Jan	15 Jan
January	Jun	Oct	Feb	Feb
February	Jul	Nov	Mar	Mar
March	Aug	15 Jan	7 May	Apr
April	Sep	Jan	May	Apr
May	Oct	Feb	Jun	Apr
June	Nov	Mar	Jul	Apr
July	15 Jan	7 May	Aug	Apr
August	Jan	May	Sep	Apr
September	Feb	Jun	Oct	Apr

**Note:** Those registered for GST on a 6 monthly basis will pay provisional tax twice a year.

## Goods & Services Tax (15%)

GST equals inclusive amount multiplied by 3 and divided by 23.

e.g. \$150 x 3 ÷ 23 = \$19.57 GST, net amount \$130.43

To add GST, multiply by 15%.

e.g. \$150 net x 15% = GST of \$22.50, gross amount \$172.50

Threshold for registration \$60,000 turnover p.a. If turnover exceeds \$2 million you must use invoice basis.

The taxable periods you can choose from are limited by your turnover.

Turnover (in 12 Month Period)	Taxable Period (Months)		
	One	Two	Six
Up to \$500,000	Yes	Yes	Yes
\$500,000-\$24 million	Yes	Yes	No
Over \$24 million	Yes	No	No

GST Payment Dates Period Ended	Filing Deadline
30 Apr 2023	Mon 29 May 2023
31 May 2023	Wed 28 Jun 2023
30 Jun 2023	Fri 28 July 2023
31 Jul 2023	Mon 28 Aug 2023
31 Aug 2023	Thu 28 Sep 2023
30 Sep 2023	Mon 30 Oct 2023
31 Oct 2023	Tue 28 Nov 2023
30 Nov 2023	Mon 15 Jan 2024
31 Dec 2023	Mon 29 Jan 2024
31 Jan 2024	Wed 28 Feb 2024
28 Feb 2024	Thu 28 Mar 2024
31 Mar 2024	Tue 7 May 2024

Schedular Payments

These payments are made to people who are employed under a contract for service. Withholding tax must be deducted and paid to Inland Revenue unless the recipient has a current certificate of exemption. If the standard rate below is too high or too low you can elect a rate that better suits your circumstances.

Category	Normal Rate
Agricultural contracts for maintenance, development, or other work on farm or agricultural land	15c
Building industry contracts, wholly or substantially labour only	20c
Commissions to salespeople and agents & commercial cleaning	20c
Forestry or bush work of all kinds, or flax planting or cutting	15c
Gardening, grass or hedge cutting, or weed or vermin destruction (other than residential or agricultural premises)	20c
Honoraria	33c
Labour for fruit, vegetables, orchards & vineyards	15c
Mail contracting, transport of school children, milk delivery or refuse removal	15c
Shearing or droving	15c
Minimum Elected Rate	10c
Note: These regulations do not apply to limited liability company contractors & trusts except in the horticulture & viticulture industries.	

Working for Families Tax Credits

No Children	Maximum Entitlement Family Tax Credit*	In-Work Tax Credit**	Annual Income (before Tax) Where Entitlement Ceases		
			Family Tax Credit	In-Work Tax Credit	Best Start Tax Credit***
1	\$7,072	\$3,744	\$68,000	\$81,500	\$95,000
2	\$12,896	\$3,744	\$89,000	\$104,000	\$113,000
3	\$18,720	\$3,744	\$111,500	\$120,500	\$120,500

Minimum family tax credit - if family income is below \$34,216 per year after tax you may be entitled to an additional payment to top income up to \$34,216.

- \* Entitled to up to \$7,072 for the eldest child and \$5,824 for each subsequent child.
- \*\* In-Work Tax Credit - maximum entitlement is \$3,744 for first three children then additional \$780 per child thereafter.
- \*\*\* Best Start Tax Credit - maximum entitlement is \$3,632 per year for each child born. The above thresholds are for children aged 1-3. There is no income limit in a child's first year.

These rates were effective from 1<sup>st</sup> April 2023

Paid Parental Leave

Employees are eligible if they have been in paid employment with a single employer for 10 or more hours a week for six months before the birth or adoption of a child.

The maximum rate is the lower of \$661.12 gross per week, expected ordinary weekly pay, or the average of the highest income 26 weeks out of the last 52 weeks.

Self employed parents will receive a minimum of \$212.00 per week.

Student Assistance

Student Allowance

Students may earn a maximum of \$258.08 before tax during study weeks before their allowance is affected. The eligibility of students under 24 is affected by parental income.

Students Aged 18yrs to 23yrs	Maximum Entitlement (after tax)	Parental Income Eligibility Ceases at*
At home	\$257.53 per week	\$118,936
Away from home	\$300.18 per week	\$127,808

\* Parental income is adjusted by \$7,000 for each other child over 16 yrs and under 24 yrs who is in secondary or tertiary education.

Student Loans

Repayments at 12% must be made once borrowers' income exceeds \$22,828 per annum from 1<sup>st</sup> April 2023.

Borrowers resident in New Zealand for more than 183 days per tax year are entitled to full interest write-off on their student loans.

Taxpayer Penalties

Late payment penalties are imposed when payments are not made by the due date. 1% will be charged the day after the due date for payment. Another 4% will be charged if the tax remains unpaid seven days after due date.

Late filing penalties are applied when income tax, PAYE, and GST returns are not filed, or filed late. The penalties range from \$50 - \$500. Taxpayers are notified prior to the penalty being applied the first time a return is filed late.

If returns are incorrect, additional penalties can be imposed. The applicable penalty depends on the severity of the cause of the error. Early disclosure can reduce the penalty rate.

KiwiSaver Rates

- Annual member tax credit \$521.43
- Employee contributions 3%, 4%, 6%, 8% or 10%
- Employer contribution 3% gross
- ESCT payable on employer superannuation contribution 10.5%, 17.5%, 30%, 33% or 39% dependent on employee's gross salary.

Community Services Cards

Family Size	Income Threshold
Single - living with others	\$31,705
Single - living alone	\$33,646
Couple, no children	\$50,313
NZ Super single, sharing accommodation	\$33,713
NZ Super single, living alone	\$35,861
NZ Super married, civil union or de facto relationship - no children	\$53,821
Family of 2	\$61,455
Family of 3	\$75,645
Family of 4	\$87,269
Family of 5	\$98,687
Family of 6	\$111,255
For families of more than 6, the income limit goes up another \$11,277 for each extra person.	

PIE Rates

Individuals (income in last 2 years) -

Taxable income < \$14,000 & total income < \$48,000	10.5%
Taxable income \$14,000 to \$48,000 & total income < \$70,000	17.5%
Taxable income > \$48,000 & total income > \$70,000	28%

Trusts - 0%, 10.5%, 17.5% or 28% depending on how the trust allocates its income

Companies - 0%

Donations Paid

Rebate claims are available for the lesser of:

- 1/3 of the total donations made; or
- 1/3 of taxable income

i.e. No taxable income, no rebate.

Vehicle Reimbursements Rates

Vehicle Type	< 14,000km	> 14,000km
Petrol or Diesel	95 cents/km	34 cents/km
Petrol Hybrid	95 cents/km	20 cents/km
Electric	95 cents/km	11 cents/km