

Income Tax Rates

Taxpayer Type	Taxable Income	2020 Rates
Individuals	\$0 to \$14,000	10.5%
	\$14,001 to \$48,000	17.5%
	\$48,001 to \$70,000	30%
	Over \$70,001	33%
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 an extra \$1.39 (incl GST) for all employees up to maximum gross income of \$130,911 per year (from 1st April 2020).

Resident Withholding Tax

Interest	10.5%, 17.5%, 28% (can elect if a company), 30% or 33%
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 RIT greater than \$60,000 and those that estimate their provisional tax are liable for UOMI at 7.00% for underpaid tax and receive 0.00% on overpaid tax from 8th May 2020.

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're due a tax refund or if you have tax to pay.

Provisional Tax

The provisional tax threshold for the 2021 tax year is \$5,000 (previously \$2,500).

Asset Capitalisation Threshold

This threshold has been \$500 for many years. However, since the 17th March 2020, the threshold for capitalising new assets is \$5,000. This reverts to \$1,000 as of 17th March 2021.

Salaries & Wages

Minimum Wage Hourly Rate

The minimum hourly rate is:	
16 yrs & over	\$18.90

Starting Out Wage

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

Payday Filing

You must now file your employment information form every time you pay your employees (if filing electronically, this must be done within 2 working days of each payday; if filing by paper, within 10 working days of each payday).

PAYE Deductions

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

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

1 st to 15 th month	20 th same month
16 th to last day	5 th following month

Common PAYE Rates

Casual Agriculture Workers (CAE)	18.89%
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Fringe Benefit Tax

FBT Rate

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

Return Periods

Quarterly or Annually

FBT Value of Motor Vehicles

5% per quarter of original cost of vehicle (incl GST) adjusted for the number of days available for private use.

Low or Interest Free Loans

The benchmark interest rate (reviewed quarterly) is 4.5% from 1st July 2020.

Income Tax Payment Dates

Month of Balance Date	Provisional Tax Instalments Due 28 th of Month (except as noted)			Terminal Tax Due 7 th of Month
	1 st	2 nd	3 rd	
October	Mar	Jul	Nov	Nov
November	7 May	Aug	15 Jan	Dec
December	May	Sep	Jan	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 \times 3 \div 23 = \19.57 GST, net amount \$130.43

To add GST, multiply by 15%.

e.g. $\$150 \text{ net} \times 15\% = \text{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 Mth 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 2020	Fri 28 May 2020
31 May 2020	Mon 29 Jun 2020
30 Jun 2020	Tue 28 July 2020
31 Jul 2020	Fri 28 Aug 2020
31 Aug 2020	Tue 28 Sep 2020
30 Sep 2020	Wed 28 Oct 2020
31 Oct 2020	Mon 30 Nov 2020
30 Nov 2020	Fri 15 Jan 2021
31 Dec 2020	Thu 28 Jan 2021
31 Jan 2021	Mon 1 Mar 2021
28 Feb 2021	Mon 29 Mar 2021
31 Mar 2021	Fri 7 May 2021

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	15c
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		Annual Income (before Tax) Where Entitlement Ceases		
	Eldest child under 16 Other children under 13	In-Work Tax Credit*	Family Tax Credit	In-Work Tax Credit	Best Start Tax Credit**
1	\$5,878	\$3,770	\$65,001	\$80,001	\$93,501
2	\$10,623	\$3,770	\$84,501	\$99,501	\$107,001
3	\$15,368	\$3,770	\$102,501	\$119,001	\$120,501

* In-Work Tax Credit - maximum entitlement is \$3,770 for first three children then additional \$780 per child thereafter.
** Best Start Tax Credit - maximum entitlement is \$3,120 a year for each child born

These rates were effective from 1st April 2020

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 \$606.46 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 \$177.00.

Student Assistance

Student Allowance

Students may earn a maximum of \$224.58 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	\$200.79 per week	\$98,654
Away from home	\$237.90 per week	\$106,372

* 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 \$20,020 per annum from 1st April 2020.

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 - \$250. 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%, or 33% dependent on employee's gross salary.

Community Services Cards

Family Size	Income Threshold
Single - living with others	\$27,590
Single - living alone	\$29,280
Couple, no children	\$43,784
NZ Super single, sharing accommodation	\$28,910
NZ Super single, living alone	\$30,740
NZ Super married, civil union or de facto relationship - no children	\$46,110
Family of 2	\$53,480
Family of 3	\$65,829
Family of 4	\$75,945
Family of 5	\$85,882
Family of 6	\$96,819
For families of more than 6, the income limit goes up another \$9,812 for each extra person.	

PIE Rates

As Portfolio Investment Entities (PIEs) have their final tax on income at source, you must select the correct tax 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

Donations Paid

Rebate claims are available for the **lesser** of:

- $\frac{1}{3}$ of the total donations made; or
- $\frac{1}{3}$ of tax paid

i.e. No tax paid = no rebate.

Vehicle Reimbursements Rates

Vehicle Type	< 14,000km	> 14,000km
Petrol or Diesel	79 cents/km	30 cents/km
Petrol Hybrid	79 cents/km	19 cents/km
Electric	79 cents/km	9 cents/km