

AGENTS ANSWERS

Inland Revenue's tax agents' update



Inland Revenue
Te Tari Taake

Issue No 237 • August 2020 • IR787



REMINDERS

We have several planning calendars to help you meet your obligations. Remember that if a due date falls on a weekend or public holiday, we can receive your return and payment on the next working day without a penalty being applied. But for provincial anniversary dates, this only applies if you're in the province celebrating the holiday, and only if you usually make tax payments over-the-counter at Westpac.

Small Business Cashflow (Loan) Scheme deadline extended

Applications have been extended further for the Small Business Cashflow (loan) Scheme (SBC). Applications opened on 12 May 2020 and can now be submitted up to and including 31 December 2020.

All other conditions remain the same. For details of the loan conditions go to **ird.govt.nz/covid-19**

You can find details about all our COVID-19 relief initiatives, including eligibility criteria and applying for the SBC loan at **ird.govt.nz/covid-19**

Automatic income tax assessments - increase to write-off threshold

A temporary increase to the threshold for write-offs of assessed tax to pay for qualifying individuals (ie, those who only receive reportable income and an automatically calculated income tax assessment) from \$50 to \$200 for the 2019-20 tax year aims to ease financial stress resulting from COVID 19.

These write offs don't apply to customers who are required to file an IR3 tax return but we can consider write-offs for these customers in some circumstances. You can find more information in Standard Practice Statement 18/04 Options for relief from tax debt.

Individuals who have been issued a 2020 IR3 that have only received reportable income will be eligible for the write-off. You will need to contact us to have your client's assessment type updated so the write-off can be applied.

It is important to remember each taxpayer will have circumstances unique to them and there is a range of additional tax relief available for the 2020 year for those whose income has been affected by a downturn in business due to COVID-19.

Find out more at **ird.govt.nz/covid-19**

Covid-19 variations

There are a number of variations to Tax Acts as a result of Covid-19. You can find them at **taxtechnical.ird.govt.nz**. Enter "Covid-19" into the search box at the top of the homepage.

New tax technical items

We've recently published a number of tax technical items that may be of interest to you.

You can find them all on the tax technical website **taxtechnical.ird.govt.nz**

Enter the item number into the Search box at the top of the homepage, eg IS20/02.

- IS 20/02: Goods and services tax – supplies by New Zealand hunting outfitters and taxidermists to overseas hunters
- IS 20/02 Fact sheet 1: GST – Supplies by New Zealand hunting outfitters or guides to overseas hunters
- IS 20/02 Fact sheet 2: GST – Supplies by New Zealand taxidermists to overseas hunters and New Zealand outfitters
- IS 20/02 Fact sheet 3: GST – Overseas hunters in New Zealand for big game guided hunting
- IS 20/03: Income tax – sections GB 3B and GB 4 of the Income Tax Act 2007 – temporary loss carry-back regime
- IS 20/04 GST treatment of short-stay accommodation
- IS 20/05: GST - Supplies of residences and other real property
- CS 20/02: Trophy hunting and the GST treatment of the "Trophy Fee"
- CS 20/03: NRWT for dividends paid to companies - Administering the new holding period tests in Article 10 of the NZ/Australia DTA (and in agreements with other countries)
- SPS 20/03 Requests to amend assessment
- SPS 20/04 Tax payments when received in time (replaces SPS 20/01)
- QWBA 20/01: Can owners of existing residential rental properties claim deductions for costs incurred to meet Healthy Homes standards?
- QWBA 20/02 Income tax – Natural love and affection exception to debt remission income for look-through companies
- Public rulings (five) 20/01 to 20/05 Investing into a US Limited Liability Company – NZ tax consequences



Follow us on our LinkedIn page for tax professionals

We have a LinkedIn page dedicated to tax professionals. We share regular updates on tax law changes, upcoming due dates and more.

Follow our page today **[linkedin.com/showcase/Inland-Revenue-NZ-for-tax-professionals](https://www.linkedin.com/showcase/Inland-Revenue-NZ-for-tax-professionals)**