Another step towards making tax simpler

The Government has released the eighth discussion document in its Making Tax Simpler series of consultations that aim to improve the tax system for businesses and individuals.

The proposals would see fewer people with straightforward tax affairs having to do anything about their tax. Instead, we would use the information we receive from employers, banks and New Zealand companies to automatically issue a tax refund or a notice of tax to pay to individuals.

During the year we would also be able to see if an individual was on the wrong tax code or using the wrong tax rate. The proposals would mean that we would contact the employer or payer of interest and ask them to switch the employee to the right tax code. Individuals who run their own businesses would still need to provide information about their income to us.

Consultation is open at makingtaxsimpler.ird.govt.nz until 28 July 2017.

End-of-year income tax returns were due 7 July

The 2017 end-of-year income tax returns were due on 7 July 2017, if you don't have a tax agent or accountant with a valid extension of time.

You can file your return online in myIR at www.ird.govt.nz/myir

Send us a secure mail through myIR if:

• you received an end-of-year return but don't think you need to file it, or
• there's a reason you weren't able to send us your return on time.

2017 Australian share exemption list now available

We've replaced the Australian share exemption list (IR871) with an easier to use online tool. Simply enter the ASX ticker code and choose the tax period, we'll confirm if the income from the company qualifies under the Australian share exemption.

The new tool is available on our website www.ird.govt.nz (search keywords: IR871 2017).

There was a delay in publishing the exemption list for 2017. If you've been affected by this delay, including filing a late return, please contact us at Transactional.Internation@ird.govt.nz. Any outstanding returns should be filed as soon as possible.
Sharing information to combat global tax evasion

In the May edition of Business Tax Update we ran an article about the Automatic Exchange of information (AEOI). This month we’re reminding you about this OECD led global initiative and pointing you to more sources of information.

We’re among 100 countries which will use the Common Reporting Standard (CRS) to identify and report on financial accounts held or controlled by foreign tax residents.

From 1 July 2017, reporting New Zealand financial institutions must begin due diligence to identify accounts held or controlled by foreign tax residents. They also have to collect prescribed identity and financial account information about the identified accounts, and report this information to Inland Revenue annually by 30 June.

**Financial institution** is a broad definition. Other than banks, this can also include:
- non-bank deposit takers
- collective investment entities
- mutual funds
- private equity funds
- hedge funds
- discretionary investment managers
- certain brokers and trusts (including some managed family trusts).

**How we’re helping you to prepare for the CRS**

The new Common Reporting Standard section on our website is a one-stop-shop for information relating to both account holders and financial institutions. Go to the CRS section at www.ird.govt.nz/international/exchange/crs

We’ve published the Automatic exchange of information (IR1033) factsheet for account holders - explaining their obligations if they hold or control financial accounts. We’re encouraging financial institutions to use the IR1033 in their customer conversations. Factsheets to support financial institutions (eg, family trusts) are being developed.

We’re running a targeted public awareness campaign until mid-July which highlights the changes and impacts. You can find the campaign and a two minute video explaining AEOI at www.ird.govt.nz/infoshare

Email us at global.aeoi@ird.govt.nz with your questions and feedback. You can also request to receive implementation updates.

For AEOI and CRS guidelines and reports from us and the OECD, go to www.ird.govt.nz (search keywords: CRS documents).