Student loan repayment threshold has been increased
The annual student loan repayment threshold increases from $19,136 to $19,448 from 1 April 2018. That means the pay-period repayment threshold for salary or wages increases from $368 to $374 per week. Repayment thresholds determine when a borrower must start making repayments towards their student loan.

AIM: the cash flow game-changer for small businesses
Talk to your accounting software provider or tax advisor about AIM – the accounting income method. It’s a new option for provisional tax. MYOB, Reckon and Xero will have AIM functionality for the financial year starting 1 April 2018.

Find out more >>

KiwiSaver forms: what do I need to send?
You only need to send us the KiwiSaver employee details (KS1) and/or the New employee opt-out request (KS10). You don’t need to send us the KiwiSaver deduction (KS2) form. You may need to use it to enrol the employee and complete their KS1. Keep it on your records.

KiwiSaver employer guide (KS4)
Find out more about opt-outs >>

Close companies and FBT
Close companies that make 1 or 2 motor vehicles available for the private use of shareholder-employees are able to either:
• use the FBT rules, where FBT is payable on the private use of the vehicles (the default option); or
• elect to apply the rules for determining motor vehicle expenditure in the company’s income tax return.
If you want to opt out of the FBT rules you must do this by the due date for the company’s end of year income tax return. See part 3 of the guide below.

Fringe benefit guide (IR409)

Schedular payments: Claiming your company’s tax credit as your own
If you operate through a company that receives schedular payments that have tax deducted from them, you may be able to ask us to treat your company’s tax deductions as your own.
You can find out more about the criteria and how to request this treatment in your tax on our website.

Find out more >>

Important dates
We have a range of calendars to help you plan ahead to help you meet your obligations. Remember that if a due date falls on a weekend, public holiday or provincial anniversary day, we can receive your return and payment on the next working day without a penalty being applied.
**Bright-line test extended to 5 years**

From 29 March 2018 the bright-line test for residential property has been extended from 2 years to 5 years.

The extended bright-line test only applies to properties for which an agreement to purchase the property was entered into on or after 29 March 2018. If an agreement to purchase a property was entered into before that date, the 2-year bright-line test will still apply.

The 5-year bright-line test applies in the same way as the 2-year bright-line test.

The residential land withholding tax (RLWT) rules have been extended from 2 years to 5 years as a result of extending the bright-line test. An offshore person will be liable for RLWT on residential land sold within five years of purchase, if the purchase date was on or after 29 March 2018.

More information will be included in an upcoming Tax Information Bulletin.

---

**Assistance for farmers affected by recent droughts or ex-cyclone Gita**

If you’re a farmer who is facing financial difficulty because of drought or Cyclone Gita, you may be able to use IR's income equalisation scheme discretions.

This means we’ll allow late deposits for the 2017 income tax year up to 30 April 2018, regardless of when the 2017 tax return is filed or what the due date is for filing the tax return.

You may also be able to make early withdrawals from the scheme.

**Find out if you qualify >>**

**Areas covered**

The areas covered are:

- **Drought**: Southland region, Queenstown Lakes District, Central Otago District, Clutha District, Taranaki, Manawatu/Whanganui, Wellington and the West Coast of the South Island.
- **Cyclone Gita**: Taranaki District, Tasman District.

**Other ways we can help**

We may be able to help in other ways including hardship relief and Working for Families Tax Credit payments.

If you have been affected by the drought or storm and are struggling to deal with your tax affairs, contact us (sooner rather than later) so we can help. The best way to do this is to call us on 0800 473 566.

---

**Payday filing legislation has been passed**

Parliament has passed legislation enabling payday filing. This requires employers and payroll intermediaries to file employment information (similar to an Employer Monthly Schedule) every payday instead of monthly.

Payday filing is voluntary from April 2018 and compulsory from April 2019, so you don’t have to do anything now. But we recommend you start thinking about how you’ll make payday filing part of your payroll processes well before this becomes a requirement. From April 2019, payday filing will replace EMS filing.

With payday filing, payment dates and methods of payment remain the same – all that is changing is how often you provide your employment information.

There are three ways you can payday file electronically:

- Direct from software (if supported by your software provider).
- By file upload via myIR under a new Payroll Returns account (if supported by your software provider).
- Onscreen via myIR under a new Payroll Returns account.

If you use software, talk to your software provider about which method is best for you.

Onscreen filing is similar to the current process for onscreen filing an EMS in myIR, but is completed and submitted every payday. If you want to start payday filing using the on-screen form phone us on 0800 377 772 or 0800 443 553 for large enterprises.

Payday filing will integrate Inland Revenue’s requirements into employers’ payroll processes, rather than being a separate step. This could reduce compliance costs for employers, particularly those using payroll software.

**Find out more >>**
New in GST

Effective date for transferring a GST refund

The effective date for transferring a GST refund arising in periods ending on or after 1 April 2018 will now depend on when your GST return is filed.

For GST returns filed:

- **before the due date**: the refund can only be transferred on the day after:
  - the return was filed, or
  - the end of the GST return period (whichever is earlier)
- **on the due date**: the refund can only be transferred on the day after the end of the GST return period
- **after the due date**: the refund can only be transferred on the date after the return was filed.

Earlier credit interest start date for early GST returns

When you file your GST return early for periods ending on or after 1 April 2018, credit interest will now start calculating on refunds from the day after one the following two dates (whichever is earlier):

- the 10th working day after the GST return’s filed, or
- the original due date for the GST return.

For periods ending 31 March 2018 or earlier, the timeframe is 15 working days, not 10.

New myIR secure online services are nearly here

On 17 April, the new myIR secure online services will go live.

‘My GST’ will change to ‘My business’ and you’ll be able to do much more all in one place.

To help you get started we’ll be emailing you some handy information on 10 April. You’ll be provided with a link to download it in the email so make sure you print and save this and have it ready to go for 17 April. It will be handy to have at your fingertips when navigating around My business for the first time.

Over the next few weeks we’ll also be adding ‘how to’ videos to help you get familiar with navigating around the new My business section of myIR. Video topics include:

- Filing your GST return
- Filing your fringe benefit tax (FBT) return
- How to make a payment
- Delegating others access to your accounts.

Watch the quick tour video >>

Is your entity a NZ financial institution needing to register and report annually for the CRS?

We’re part of a global OECD initiative to combat tax evasion. New laws relating to the Common Reporting Standard (CRS) impact New Zealand businesses, especially those with financial account holders and offshore controlling persons who are tax resident in another country.

Find out more about whether your business is a ‘Reporting NZ financial institution’ (NZFI) or an account holder using these brochures:

- **CRS: Is the entity a Reporting NZ Financial Institution? IR1050**
- **CRS: Due Diligence and Reporting Obligations IR1049**
- **Automatic Exchange of Information: Your obligations if you hold or control financial accounts**

If your NZFI needs to submit a CRS disclosure to us for the year ending 31 March 2018, it must be filed with us no later than 30 June 2018 via myIR, this is an annual obligation.

Find out more >>

Check out our **CRS guidance and support materials** or if you are unclear about how this may impact you. We welcome your questions: global.aeo@ird.govt.nz

FATCA

You can also read more about the changes to how you register and report **Foreign Account Tax Compliance Act (FATCA) obligations** using myIR from 17 April 2018. FATCA disclosures are due to us no later than 30 June 2018, for the year ending 31 March 2018.
Changes to Employee share schemes

Payday filing changes for Employee share schemes (ESS)
If you are choosing to file your employer returns every payday there are two methods you can use to report ESS information to us. For reporting purposes, the day the employee receives the ESS benefit is 20 days after the benefit has been provided. You will still need to calculate the value of the benefit on the day it was provided.

Option 1:
- If the 20th day falls between the 1st and 15th of a month you must report the information treating the 15th as the payday
- If the 20th day falls between the 16th and the end of a month you must report the information treating the last day of the month as the payday.

Option 2:
- You can treat the 20th day as the payday and report the value of the ESS benefit to Inland Revenue more regularly.

You don’t need to contact us to tell us what option you've picked.

“ESS” payment code
From April 2018 you’ll need to provide information on ESS benefits separately to other salary and wage information by using the new payment code “ESS”.
Add the ESS information as a separate line item on your payroll return including:
- the employee's name
- the employee's IRD number
- the payment code “ESS”
- the taxable value of the ESS benefit. Also include this as “Earnings not liable for ACC earners’ levy”
- the total tax, plus student loan and child support, deducted from the benefit (if any).

Employer’s guide (IR335) >>
Page 43 includes information on making deductions and reporting information from ESS benefits.

Exempt ESS
If you operate an exempt ESS you don’t need to provide us with information about ESS benefits in your payroll returns. You will need to send us a Notification of Exempt Employee Share Scheme (IR1211) form so we can note this in our records. The form can be emailed to us at exemptESS@ird.govt.nz

Information on whether your employee share scheme meets the criteria to be an exempt ESS will be included in Tax Information Bulletin Volume 30 No. 4.