### REMINDERS

**28 March:** GST return and payment due for the period ending 28 February.

**31 March:** 2016 end-of-year income tax returns are due (if you have a tax agent or accountant with a valid extension of time).

Final date for electing to use the ratio option to calculate provisional tax in the 2017 tax year.

**7 April:** 2016 end-of-year tax payments are due (if you have a tax agent or accountant with a valid extension of time).

**Note:** 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.

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*If you have any suggestions for topics you’d like covered in this newsletter, email BusinessTax.Update@ird.govt.nz*

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### 1 April 2017 business tax changes

From 1 April 2017, changes to business tax may impact you if you’re a contractor, a small business or an employer.

The changes include:

- a new *Tax rate notification for contractors (IR330C)* form, and self-management options for those receiving schedular payments
- a new type of schedular payment - contractors paid by labour hire businesses under labour hire arrangements
- allowing contractors not covered by the schedular payment rules to opt into the rules with agreement from their payer
- new use-of-money interest rules for some provisional taxpayers
- removing the incremental late payment penalty from some tax types and periods, and
- new information sharing agreements for greater transparency and fairer markets.

The new contractors section on our website has the information contractors need to get their taxes right. Find the new contractors section at [www.ird.govt.nz/contractors](http://www.ird.govt.nz/contractors).

A number of our publications are being updated to reflect the changes:

- *Employer’s guide (IR335)*
- *Provisional tax guide (IR289)*
- *Do you need a special tax code? (IR23G)*
- *Special tax code application (IR23BS) form*
- *Tax code declaration (IR330) form.*

The updated IR23G and IR23BS are now available on our website. The remaining publications will be available on our website late March to early April, and all will be in print early April.

*(continued on next page)*
Labour hire businesses
If you’re a labour hire business, you may have to make schedular payments for the first time. If having systems in place to comply with the new rules by 1 April will cause you unreasonable costs, you can delay the start date to the earlier of:
- the date you can start complying, without having to incur unreasonable costs, or
- 1 July 2017.
Find out more about how all the changes might affect you on our website at www.ird.govt.nz/news-updates/contractor-changes.html

Look-through company elections
For existing companies to use the look-through company (LTC) rules, we must receive completed election forms before the beginning of the income year that the election relates to.
New companies have until the date their first return is due (including any extension of time if applicable) to file the election.
To find out more about Look-through company elections go to www.ird.govt.nz (search keyword: IR862).
The Taxation (Annual Rates for 2016-17, Closely Held Companies, and Remedial Matters) Bill currently before Parliament proposes changes to the LTC rules. If the Bill is enacted, the changes would apply for the 2017-18 and later income years.
Find out more about the proposed changes on our Tax Policy website at www.taxpolicy.ird.govt.nz

Working for Families Tax Credits and business income
In March each year we carry over Working for Families Tax Credits information to the new tax year. If you receive Working for Families Tax Credits in weekly or fortnightly payments and have business income, you’ll need to provide us with evidence to support your business income estimate.
As evidence, you can provide:
- your Individual income tax return (IR3) for the year ending 31 March 2016
- a completed set of accounts for the year ending 31 March 2016
- a detailed set of accounts projecting your income for the year ending 31 March 2018, or
- a letter from your tax agent or accountant confirming your business income estimation.
Please make sure we receive this early so your payments can continue for the new tax year starting 1 April 2017. If we don’t receive the information, payments will stop from Tuesday 4th April, until we receive the evidence.

Applying for a new IRD number just got simpler
If you need to get an IRD number for a new club, trust, society or other company entity, there is now a simpler and faster way to do this.
Registration can now be done online. The streamlined process allows you to get your IRD number within 48 hours, attaching all required documents in myIR through the Inland Revenue website instead of having to post or fax documentation.
Online registration can also be completed for GST, PAYE, FBT, RWT, LTC and Māori Authority.
Go to www.ird.govt.nz (search keywords: IRD number business) to register.

2016 research and development loss tax credit claims
Does your company conduct research or development and is making a tax loss? You may be eligible to "cash out" (claim and be refunded) your research and development tax losses for the 2015-16 tax year.
The deadline for cashing out losses for the 2015-16 tax year is 31 March 2017.
Find out more about the R&D loss tax credit at www.ird.govt.nz/rd-credit.