REMINDERS

28 June: GST returns and payments are due for the period ending 31 May 2017. The first 2017 provisional tax instalment is due for those using the ratio method who have a 31 March balance date.

7 July: 2017 income tax returns are due for customers with a standard balance date and no 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.

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

Depreciation roll-over relief Hurunui/Kaikoura and Wellington earthquakes areas

The Government has introduced new relief provisions following earthquakes in the Hurunui, Kaikoura and Wellington areas.

When an item of depreciable property is written-off and the insurance/compensation payment exceeds the adjusted tax value (book value) of the property then the excess is depreciation recovery income. This is capped at the amount of depreciation that has actually been claimed.

This income would generally be taxable in the income year when the amount of the insurance/compensation consideration can be reasonably estimated.

The relief provisions allow a person to defer the inclusion of the depreciation recovery income, in their income tax return, until the income year(s) they purchase replacement property or when other specific criteria are triggered.

A person who wants to apply the relief provisions must notify us, by the later of:

• 31 January 2018, and
• the date on which a return of income is filed covering the deferred depreciation recovery income.

Please refer to the Tax Information Bulletin Vol 29, No 5 (June 2017) or on our website www.ird.govt.nz (search keywords: Kaikoura depreciation relief) for more information on the relief provisions, including:

• the categories of depreciable property
• replacement property
• written-off (irreparable damaged, in some cases uneconomic to repair)
• notification process and details required
• earthquake affected areas
• important dates, and
• property uneconomic to repair.

Working for Families Tax Credits - are your details up to date?

If your income or family circumstance changes during the year, remember to let us know, so you get paid the right amount of Working for Families Tax Credits.

Changes that may affect your payments include:

• an increase or decrease in your family income
• the number of hours you and/or your partner work

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Standard-cost household service for boarding service providers

For the 2017 income year:
(a) The weekly variable standard-cost for one to two boarders will be $263 each and
(b) The weekly variable standard-cost for third and subsequent number of boarders will be $215 each.

The above amounts have been adjusted because of the annual movement of the Consumers Price Index for the twelve months to March 2017, which showed an increase of 2.2%.

For boarding service providers who have a standard 31 March balance date, the new amounts apply for the period from 1 April 2016 to 31 March 2017.

Standard-cost household service for childcare providers

For the 2017 income year:
(a) The variable standard-cost t will be $3.51 per hour per child and
(b) The administration and record keeping fixed standard-cost will be $343 per annum, for a full 52 weeks of childcare services provided.

The above amounts have been adjusted because of the annual movement of the Consumers Price Index for the twelve months to March 2017, which showed an increase of 2.2%.

For childcare providers who have a standard 31 March balance date, the new amounts apply for the period from 1 April 2016 to 31 March 2017.

New online services for ACC’s business customers

ACC is working to improve their business customers’ online experience, with a new website on the way and a new online self-service available to all businesses later this month.

MyACC for Business
ACC’s new online self-service, MyACC for Business, will be available to all business customers from mid-June.

Businesses, especially those who are newly self-employed, are encouraged to register, check and update their details on MyACC for Business. Doing this helps to make sure you pay the right amount of ACC levies to cover you and your employees.

More features will be developed during the year, and access for intermediaries will be available soon.

MyACC for Business can be accessed at myacc.co.nz/forbusiness. It will also be available from their website from early July.

Beta.acc.co.nz
ACC’s new website is due to go live in early July. While the web address won’t change once it replaces the current one, any links you may have to specific sections may no longer work. To minimise disruption, go visit their test site beta.acc.co.nz and start getting familiar with the new look, layout and content. If you’re relatively new to business, you may want to take a look at two new tools:
- an invoice heat map, outlining key sections of an ACC invoice, and
- a levy estimator to help new customers estimate how much their first invoice might be.

Feedback is also welcomed. You can do this by using the feedback tabs on each page of the site. They’re particularly keen to know about anything that is missing or unclear. Keep checking between now and July to see what’s new.