**REMEMBERS**

- **7 July**: 2017 income tax returns are due for clients with a standard balance date and no extension of time.
- **20 July**: Quarterly FBT returns and payments due.
- **28 July**: GST returns and payments due for the 30 June period.
- **From 1 August**, you need a myIR Secure Online Services account to file your clients’ *Fringe benefit ordinary employee annual tax return (IR422)* and *Gaming machine duty return (IR680)* online.

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

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**What is a Best Start tax credit?**

Best Start is a new weekly payment of $60 per child, available to eligible parents who have a baby born on or after 1 July 2018 (or babies who were due on or after 1 July 2018 but were born earlier).

Everyone who is eligible will receive $60 a week until the baby turns one, no matter what the household income is. If the household income is less than $79,000 then you will continue to receive $60 a week until the child turns three.

**What makes a person eligible?**

To be eligible for Best Start:
- you must be the principal caregiver of the child
- you must be a New Zealand resident or citizen and have been in New Zealand for a continuous period of 12 months at any time, or
- the child you are claiming for is both resident and present in New Zealand
- you must be a New Zealand tax resident
- you must have an IRD number for the child you will get Best Start payments for.

**How to apply**

Families can apply when registering their baby's birth:
- through "Register your Baby" on the SmartStart website, or
- by completing the Working for Families Tax Credits registration (FS1) form which can be found on our website.

For more information, visit [www.ird.govt.nz/beststart](http://www.ird.govt.nz/beststart)

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**IRD number applications for non-individual customers**

If you are completing IRD number applications for your clients, please make sure that all requirements for documents are met. For trusts in particular, we require a full and complete Trust Deed. These documents must be current, dated and signed including any changes to trustees.

Find out more about applying for IRD numbers at [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: ird numbers).
Payments by clients

Some of your clients may have accounting centres offshore. We are noticing an increasing amount of payments from these organisations are being received outside the due dates.

Please ensure your clients know to have money transferred to Inland Revenue by 5pm on the due date in New Zealand.

Money transferred outside this time will be recorded on the next working day and will attract a range of penalties and/or interest.

Money coming from the Northern Hemisphere is particularly at risk and many of these centres are based in places like India, Malaysia, and the Philippines.

Our website has information on paying in different ways at www.ird.govt.nz (search keyword: payments).

Sharemilkers and contract milkers

We have recently issued QB 18/09: Income tax – can sharemilkers and contract milkers deduct farmhouse expenditure using the approach in IS 17/02?

This Question We’ve Been Asked (QWBA) clarifies that sharemilkers and contract milkers (subject to meeting the requirements of the QWBA) can use the approach in interpretation statement IS 17/02: Income tax – deductibility of farmhouse expenses published May 2017 to claim a 20% deduction for farmhouse expenditure without the need to calculate actual business use.

Read the QWBA at www.ird.govt.nz (search keywords: QB 18/09).

Due date passed for CRS & FATCA disclosures

Financial institutions needed to report information about country of tax residence to us for the year ending 31 March 2018 by 30 June. This is an annual obligation to comply with the Common Reporting Standard (CRS) and Foreign Account Tax Compliance Act (FATCA) legislation. Although the due date has passed we will accept late submissions.

Find out more about CRS registration and reporting at www.ird.govt.nz (search keywords: crs reporting).

Find out more about FATCA registration and reporting at www.ird.govt.nz (search keyword: fatca).

Our customers continue to focus on how the CRS applies to trusts, as well as broader CRS due diligence and reporting obligations, specifically:

- tax residency self-certification requirements – are accounts you or your clients hold or control with financial institutions, reportable accounts?
- persons connected to a trust (including discretionary beneficiaries receiving distributions) - are trusts and/or trust accounts you manage, reportable persons?
- whether the trust or corporate trustee is a financial institution – do New Zealand trusts or New Zealand foreign trusts you act for as a corporate trustee have to register and/or report to us?

Guidance and support materials

Build your CRS knowledge using our factsheets at www.ird.govt.nz/crs

- Accountants and the CRS (IR1089)
- Is the Trust a Reporting New Zealand financial institution? (IR1052)
- Family Trust obligations under the CRS (IR1053)
- CRS Due Diligence and Reporting (IR1049)

For more information

Sign up for the free AEOI Overview, 'Back to basics' webinar at www.cchlearning.co.nz (search keywords: aeoii on demand).

Email your questions, and sign up to receive updates at global.aeo@ird.govt.nz

Read about Foreign Account Tax Compliance Act (FATCA) obligations, guidance and the support materials available via www.ird.govt.nz/fatca