




CLELAND HANCOX
LIMITED

CHARTERED ACCOUNTANTS

ACCELERATE

March • 2019

END OF YEAR — SPECIAL TAX ALERT



While sorting your end of year tax paperwork sounds about as fun as spilling coffee on your keyboard, once it is done, it's done — and now's the time.

With not long until year-end, we encourage you to spend a few minutes this week reading our top tax tips plus the latest changes you need to be aware of in 2019.

10 SMART YEAR-END TAX TIPS

1. **Fill your drawers:** Can you stock up on stationery, postage and courier bags before 31 March? Claim now and save.
2. **Staff expenses:** If you owe employees holiday pay, bonuses, long service leave or redundancy payments, you can claim for these now — as long as they are paid within 63 days of the balance date.
3. **Can you fix it?** If you've got any significant maintenance or repairs on the cards, do it before year-end and save on tax.
4. **Turn fun into savings:** Do you know which entertainment expenses you can claim 100% of? It's worth finding out — ask us if you need clarification.
5. **Look at your fixed assets:** Do you have any you're no longer using or don't plan to use in the future? If so, you may be able to write off the book value.
6. **While you're at it, check your stock:** Look at your stock as well, especially obsolete stock. There may be an opportunity to write off some of this off as well — check with us on what could be done in this area.
7. **Income boost:** Earned a lot more this year? Consider making a voluntary provisional tax payment.
8. **Logging car use?** Remember to jot down your odometer reading at year-end and if you've kept a logbook of business and personal use, mileage and costs, good work!
9. **Home office:** It's also a good time to review what home office expenses may be available for deduction, especially your home office. We can help with calculating this.
10. **Saving time saves money!** Accountants are required to ask for information to comply with AML-DIA obligations plus the IRD may ask you, via your accountant, for extra information in relation to your EOY tax. Having your identification and tax documents collated and correct saves your accountant time. Which saves you money, so get started this week.

WHAT'S NEW IN THE WORLD OF TAX?

Payday filing

We have mentioned this in the past, but don't forget payday filing for employers is compulsory from 1 April 2019. Please contact us if you need any help with complying with the new process and rules.

No more cheques for IRD

Do you send post-dated cheques for tax payments? It's time to go digital! From now on you'll need to use online banking to make future-dated payments as the IRD no longer accepts post-dated cheques. Plus, if you're one to put your tax payments in the IRD's dropboxes, you'll now have to head to an IRD office reception area (during office hours) to do so.

Writing off bad debt? Get your ducks in a row.

If you're expecting a tax break from writing off bad debt, you may also expect to hear from the IRD asking you to prove the debt is, in fact, bad. A new ruling means the IRD could request evidence of any steps you took to recover the debt (before writing it off) and proof there is no reasonable likelihood the debt will be paid. So, get your paperwork in order!



TAKE NOTE! MINIMUM WAGE GLIDES CLOSER TO \$20

More than 200,000 New Zealanders and their families will benefit from the minimum wage going up to \$17.70 an hour on 1 April 2019 — an increase of \$1.20. The starting-out and training minimum wage rates will increase from \$13.20 to \$14.16 per hour (remaining at 80% of the adult minimum wage) and the Government has set indicative rates of \$18.90 from 1 April 2020 and \$20 from 1 April 2021.

KEY TAX DATES MARCH 2018

| DATE | CATEGORY | DESCRIPTION |
|----------|-----------------------------|---|
| 5 March | PAYE | Large employers payment due Large employers returns for those who have not yet opted in to payday filing |
| 20 March | RWT | RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during February |
| 20 March | PAYE | Payment due for small employers for February, and large employers for March Returns for small and large employers who have not yet opted in to payday filing |
| 20 March | NRWT / Approved Issuer Levy | Payment and return for February |
| 28 March | GST | Return and payment for February |

***Disclaimer:** This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.*

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