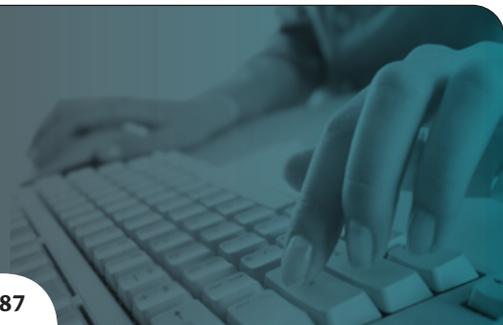


AGENTS ANSWERS

Inland Revenue's tax agents' update



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REMINDERS

We have several calendars you can use to plan ahead to help you meet your obligations. Remember that if a due date falls on a weekend and public holiday, we can receive your return and payment on the next working day without a penalty being applied.

No cheques from 1 March

A friendly reminder that from 1 March 2020 we will stop accepting payment by cheque, including cheques dated after 1 March 2020.

There are several payment methods offered by us and the banks:

- **Pay online through the bank**

Your clients can make payments to us through their bank's online banking facilities. This can be fast, easy, secure and they can post-date their payment.

- **Pay online in myIR**

Your clients can make payments to us in their myIR account with their credit or debit card. They can also set up a direct debit and select the date of the payment.

We recognise that online payments may not suit everyone. The following options are also available:

- **Automatic payment authority form - IR586**

Your clients can set up an automatic payment from their bank account to us by completing our IR586 form and giving it to their bank. The IR586:

- is most suitable for fixed or regular payments, such as debt or arrears
- allows for two signatures
- is available on our website, or we can post it on request.

Please check bank processing times for automatic payments.

- **Cash or Eftpos at Westpac**

Your clients can make cash or Eftpos payments to us at a Westpac branch. They'll need to remember their barcode to ensure the payment can be correctly allocated. The barcode is printed on the return or statement, or created from our website ird.govt.nz/make-a-payment/paying-at-westpac

We encourage you to speak with your clients that still pay by cheque to help them find the payment method that best suits them.

For more information on these payment methods visit ird.govt.nz/cheques

Income equalisation schemes

From April 2020 we will manage income equalisation schemes in our new system.

This will mean:

- You can tell us about deposits, and request withdrawals for income equalisation in myIR. The paper form (the IR155) will be discontinued.
- You can make deposits electronically in myIR or via internet banking. Use the new account code - EQU - Income Equalisation.

(continued on next page)

- All withdrawals will be paid out by direct credit.
- You can see scheme balances and other transactions, such as interest, at any time in myIR under the new accounts (Income Equalisation)
Note: You don't need to link to these new accounts - if you're already linked to your client for income tax, you will automatically be linked to their income equalisation scheme.
- Deposits and withdrawals will be shown in your client's income summary and prepopulated into the "other income" field on their income tax returns in myIR.

Once the income equalisation schemes move into our new system you will no longer need to use cheques for deposits or withdrawals. Deposits can be made using an alternative payment method and you can supply your bank account details for withdrawals.

For more information about alternative payment methods visit: ird.govt.nz/payments

Prescribed interest rate decreases

The prescribed rate used to calculate fringe benefit tax on low-interest, employment-related loans has decreased from 5.77% to 5.26% effective 1 October 2019.

You can find out more about prescribed interest rates at ird.govt.nz (search keywords: prescribed interest rates).

Join our next webinar

We are continuing our webinar series to provide more information on upcoming tax changes and invite tax agents and bookkeepers to join.

The next session is on 4 March 2020 from 2.30pm to 3.30pm. We will share more information on changes about myIR, PAYE, payments, income equalisation and student loans.

To register, find out about future sessions or view previous webinars On Demand, visit our website ird.govt.nz/webinars

Thank you to those who participated in previous sessions. We have published the questions and answers from recent webinars on our website, as well as copies of webinar presentations completed to date.

New tax technical website coming

We're building a new tax technical website to help people find tax technical answers more quickly. The new site will be available on the main Inland Revenue site but will operate separately to it.

We're improving the site in stages throughout 2020. This first release is planned to be available in the next few months and will make it easier to browse and search our tax technical publications, public consultations, and the *Tax Information Bulletin (TIB)*.

Over the year we will add more features including:

- the ability to browse for keywords eg motor vehicles, depreciation rates
- filters to narrow your results
- better linking between publications and other websites
- better interlinking of TIB issues and their individual publications.

The development of this website follows on from our work to modernise the Inland Revenue website over the past year.

Employer-provided travel from home to a distant workplace

New operational statement OS 19/05 clarifies and simplifies the tax rules around employer-provided travel to distant workplaces. For example, a person who works in Wellington but lives in Auckland, or who travels greater distances in working from home or at multiple workplaces. It sets out our approach to determining whether or not employer-provided travel to a distant workplace is exempt from income tax (PAYE) or fringe benefit tax (FBT).

We recognise that some taxpayers may need time to implement the approach set out in OS 19/05.

We do not expect taxpayers to apply the statement to travel taken before 1 April 2020.

However, taxpayers can apply the statement from the date it is issued if they wish to.

You can find the statement at www.ird.govt.nz (search keyword OS 19/05).

Handy phone numbers

Overseas significant enterprise clients

As customers overseas cannot use our 0800 443 773 enquiry line, please advise your clients they can phone us on +64 09 952 5986 or 04 831 2286 between 8am and 4.30pm NZ time.

South Canterbury floods

Any farmer client affected by the floods and needing help with their tax obligations can call us on 0800 473 566.



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We have a LinkedIn page dedicated to tax professionals. We share regular updates on tax law changes, upcoming due dates and more.

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