

AGENTS ANSWERS

Inland Revenue's tax agents' update



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Use-of-money interest (UOMI) rate change

Effective from 9 May 2022, the UOMI rates on underpayments and overpayments of tax changed.

The new rates are:

- underpayments – 7.28% (up from 7.00%)
- overpayments – 0.00% no change from current rate.

We review the rates regularly to ensure they are aligned with market interest rates.

2022 Income tax – more information request

From late May to the end of July 2022 we will be sending "Income tax – more information requests" for individual clients (excluding IR3 filers). If you have your clients' mail redirected you will receive this letter, otherwise, your clients will receive this themselves. You are required to review, add any additional income or expenses (if appropriate), and complete your clients' income tax assessments.

You and your clients can do this through myIR.

If you are using Gateway Services software to send us income tax returns, you may also be able to "finalise" or "amend" the "more information request" in your software. Talk to your provider to see if they offer this functionality. We encourage you to confirm these in a timely manner so your clients are aware of their end-of-year tax position and receive any refund they may be entitled to (including Working for Families).

What's new for 2022

From the 2022 year if your client has a shareholder, LTC, partnership or beneficiary link with a commencement date within the last 2 years and has received no income from these entities, they will receive an "Income tax – more information request".

If your client has no reportable income, we will apply a "no assessment indicator" and no further action is required unless there is income to return. You will be able to identify these customers from your client list report.

The definition of "reportable income" now includes payments received from the Wage Subsidy Scheme (WSS), the Leave Support Scheme (LSS), and the Short-Term Absence Payments. It does not include the Cultural Emergency Relief Sector Grant. This enables some customers who were required to file an IR3 in 2021 as a result of receiving these payments, to now be eligible to receive an "Income tax – more information request".

A Government subsidy field is now included in the "Income tax – more information request". WSS, LSS and STAP payments will pre-populate into the "Income tax – more information request" and be visible in the income summary in myIR.

You can find out more about the end-of-year process at ird.govt.nz/roles/tax-agents/individual-income-tax-for-clients-of-agents

2022 paper income tax returns

We have listened to your feedback around the unnecessary paper return packs being issued for some clients.

We have now made a change to our paper return select so that we won't send one to anyone who is linked to an intermediary for income tax.

If you need a paper return, these can still be printed off our website.

Covid 19 Determinations

We have recently published some variations to the Covid 19 legislation.

Some of the variations include:

- COV 22/15 Variation in relation to section RP17B(4) of the Income Tax Act 2007 to extend time for tax pooling transfers
- COV 22/03 Variation in relation to section DB31 of the Income Tax Act 2007 to extend the time for writing off bad debts
- COV 22/05: Variation in relation to section HC 6 of the Income Tax Act 2007: Beneficiary income
- COV 22/01 Variation to s EI 1 of the Income Tax Act 2007 to spread back income from timber to previous income years.

You can find these on our website taxtechnical.ird.govt.nz (search keywords: COV 22).

They are also published in the TIB Vol 34 No 3 April 2022.

Better overview of client messages coming for intermediaries

We've heard your feedback about the inability to see web messages across your agency. Work has started on a new service in myIR which will give wider "view" access to client messages.

Find out more on our website at ird.govt.nz/updates/news-folder/a-better-overview-of-client-messages-is-coming-for-intermediaries



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Agents Answers comments generally on topical tax issues relevant to tax agents. Every attempt is made to ensure the law is correctly interpreted, but articles are intended as a brief overview only. The examples provided are not intended to cover every possible factual situation.

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