

Notes

If you receive interest from a person or organisation, RWT (resident withholding tax) is usually deducted from those interest payments before they are credited to you. This might be interest from financial institutions (for example, banks, finance companies, building societies or credit unions).

Companies

You must notify your interest payer that you're a company.

If you've given your interest payer your IRD number and company status, you may use either the 28%, 33% or 39% rate. If you do not choose a resident withholding tax rate, tax will be deducted from your interest payments at 28%.

There are two exceptions:

- Trustees are not required to notify their company status and may use the 17.5%, 30%, 33% or 39% rate. If you are a trustee of a testamentary trust, you may use the 10.5%, 17.5%, 30%, 33% or 39% rate.
- Māori authorities are not required to notify their company status and may use the 17.5%, 30%, 33% or 39% rate.

Non-declaration rate - If you have **not** given your IRD number to your interest payer, RWT will be deducted at the 'non-declaration' rate of 45%.

All others

If you've given your interest payer your IRD number, you may use the 10.5%, 17.5%, 30%, 33% or 39% rate. This is the amount of tax to be deducted during the year. It should match your income tax rate.

If the resident withholding tax rate (RWT) you choose does not match your income tax rate you may receive an end of year tax bill. If you do not choose a RWT rate, tax will be deducted from your interest payments at 33%.

Non-declaration rate - If you have **not** given your IRD number to your interest payer, RWT will be deducted at the 'non-declaration' rate of 45%.

If your total income (before tax) for the year is	your RWT rate is
\$0 - \$15,600	10.5%
\$15,601 - \$53,500	17.5%
\$53,501 - \$78,100	30%
\$78,101 - \$180,000	33%
Over \$180,000	39%

If you have a joint account, you can only use one RWT rate. So you'll need to decide which is the most appropriate rate. For example, if you both earn over \$180,000, choosing the 39% rate will avoid an end of year tax bill. If one account holder earns over \$53,501 (but below \$78,100) and the other less than \$53,501, choosing the 30% rate will avoid the higher earner having an end-of-year tax bill.

If a resident and a non-resident hold a joint account, resident withholding tax must be deducted from all interest paid on the account. The non-resident may claim a refund by completing either an **IR3NR - non-resident income tax return** or a **IR386 - New Zealand non-resident withholding tax refund form**.

For more help

If you need any further help, please send us a message through your myIR account.