

AGENTS ANSWERS

Inland Revenue's tax agents' update

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REMINDERS

Mid-August: L letters will be available.

28 August: First provisional tax instalment for the 2018 tax year is due for clients with a March balance date.

9 September: 40% of your clients' returns should have been filed, unless you've negotiated personal filing dates with us.

Self-service line: If you call us to reset your PIN, it's important that you wait at least 6 minutes before trying to log in. If after 6 minutes you still can't login please contact us and we'll follow it up.

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

Improvements to GST section in myIR

We've made several improvements to the new GST online services based on your feedback and the input we've been getting from your colleagues at our user workshops.

- Web requests no longer auto-save. You'll now be prompted to choose 'save' or 'delete' when you leave the page.
- Client's names are now displayed alongside their account number in web message lists for tax agents.

More improvements reflecting your feedback will be launched on **4 August** – visit www.ird.govt.nz/my-gst-ta for more information.

We've been working with tax agents to create a list of 6 improvements which we'll deliver over the next 3-9 months in the order that will give the greatest benefit to you.

- Notifications and alerts - the emails, texts or letters you get to let you know there's something to do in myIR.
- Reports and print-outs - customer name on all screen prints, confirmation screens and return PDFs.
- Client data visibility - filing frequency, history.
- Client maintenance and authority access eg workspace, linking, bank account.
- Traceability and overview of transactions eg transfers.
- Payments - over-payment allocation, processing status.

We'll keep you updated in future editions of Agents Answers, Transformation Update emails and on the webpage above.

Improvements a joint effort

Tax agents have a central role in the improvements we're making to the GST section in myIR and future designs for the new tax system. Every two weeks, 8-10 tax agents are working with us in Wellington giving valuable input into the improvements.

We'll expand the sessions to other locations so we can understand challenges that may be unique to tax agents based outside the main centres.

We're also sending out 5 minute surveys to groups of tax agents to get their feedback on a range of topics. If you'd like to take part in future surveys, email BTcommunications@ird.govt.nz

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Quick tips

Tip 1 – Want to transfer a client's income tax credit to GST?

Financial transfers to or from GST need to be done in the new GST system. Click the 'GST' tab, then the 'Activity Centre' tab. The bottom right hand side will display all Tax Preparer functions. Select 'Transfer credit between accounts'. You'll be asked whether you're transferring a payment or a credit, then asked to select where the credit is going to/from.

Note: If your client is paying GST and provisional tax, they should use the tax type GAP. We will split the payment across both GST and income tax accounts.

Tip 2 – Want to find out your client's accounting basis and filing frequency is?

Find the relevant client, access the 'Activity Centre' tab, select 'Change GST Registration' and the current registration details are displayed. Cancel out of this screen without saving changes.

Tip 3 – Want to monitor/change your staff access to clients?

Click on the GST tab, select 'Logon Settings' on the top right hand side of your screen. In 'Quick Links' select 'Manage additional logons' then select the user you want to view. This will show you who the user has uploaded to their workspace. Select 'Add or Remove' to add or remove clients/agency (agency and client accounts are shown separately). Under 'Online Activity' you can view the user's latest session, and clicking 'More' will display older sessions.

Tip 4 – Don't want to see a particular client in your workspace?

You can remove them through the 'Manage access to clients' web request located in the Tax Preparer actions section of your Activity Centre. This will remove them from *your* workspace, not other workspaces in your tax agency.

If you no longer advise a client, you need to delink to end your agency's relationship. Delink using the 'Manage my relationships' web request.

If you accidentally delink a client instead of removing them from your workspace, you'll need to wait until the next day to relink, or contact us and we can set them up again for you. Any delinked or linked client will still get a letter advising your relationship has ended or started.

Release plan – April 2018

While still focusing on enhancing features of GST online services, we're planning the next round of changes scheduled for April 2018, coinciding with new legislation. These will include:

- PAYE PayDay reporting (voluntary for the first year). The presentation of PAYE information in the new tax system will be similar to the new GST online services, replacing ir-File.
- Accounting Income Method (new provisional tax option).
- Automatic Exchange of Information AEOI (Common Reporting Standard CRS).
- All withholding taxes, FBT and gaming machine duty will be moved to the new tax system.

Working for Families Tax Credits and income tax end-of-year processing will move to the new system from April 2019. This minimises the need for you to work across the old and new systems and gives us all more time to get familiar with the new system.

Give feedback and help New Zealand families

The Government wants your feedback on proposals to improve the way Inland Revenue manages Working for Families Tax Credits, child support and student loans.

Proposed changes include using more recent income information to calculate entitlements and payment obligations. Payments would adapt more quickly when someone's circumstances change, improving the accuracy of payments and giving New Zealanders more certainty about what support they're entitled to, and what their payment obligations are.

Go to socialpolicy.makingtaxsimpler.ird.govt.nz/ to find out more and give feedback.

Reviewing income tax filing requirements

We're reviewing non-individual customers (excluding companies) who haven't filed income tax returns or have filed returns with no income for some time.

From August we'll contact these customers or their tax agents asking them to contact us if they're no longer active. We can then update our records. This means they'll no longer be sent or need to file income tax returns. We'll contact you if your clients are affected.

You may like to take this opportunity to review your other non-individual clients and consider if they are active and notify us if they are not.

If your client is a trust and needs to stay registered but isn't deriving income, eg the only asset in the trust is a family home, you can file an *Non-active trust declaration (IR633)*.

If you also have any companies that haven't been trading but want to remain registered with the Companies Office, you can file an *Non-active company declaration (IR433)* for those.

Sharing information to fight global tax evasion

Do you manage trusts and/or trust accounts for clients?

Do you act as a corporate trustee for NZ trusts or NZ foreign trusts?

Do you have clients holding or controlling accounts with financial institutions?

Then you and/or your clients may have obligations under the Common Reporting Standard (CRS).

Check out our CRS guidance and support materials including our fact sheet *Family Trust obligations under the CRS* at www.ird.govt.nz (search keywords: AEOI CRS).

Changes to managing ACC accounts online

MyACC for Business

ACC has launched a new online self-service tool for small to medium enterprise business customers. MyACC for Business is accessible through their new website acc.co.nz

Professional organisations managing ACC accounts on behalf of their clients will have access later this year. In the meantime you can still use ACC Online.

ACC are still developing MyACC for Business to deliver everything you need it to. If you'd like to be involved in shaping what's developed for tax agents and intermediaries please get in touch at digitaloperations@acc.co.nz

Australian FIF exemption calculator

The ASX FIF calculator was put up late on our website. We understand that the delay may have affected customers and resulted in late filing of returns.

If the publishing delay affected you please get in touch at Transactional.International@ird.govt.nz

Any outstanding returns should be filed as soon as possible.

Tips for faster processing

When you request on-transfer/refund of excess credit, where there are tax pooling funds in the account, please include the phrase "**Tax Pooling**" in the subject line or in the correspondence. Including this phrase will help us to improve processing times for you.

Organisations that pay interest

When you send payments and returns for interest paying organisations, please make sure that they're registered for Resident withholding tax (RWT) on interest or Non-resident withholding tax (NRWT). If they're not registered processing returns and payments may be delayed. You can register online using your myIR account.

Fijian withholding tax credits

We have had several recent cases involving the claiming of foreign tax credits in New Zealand tax returns for withholding tax deducted in Fiji.

Fiji imposes domestic and non-resident withholding taxes on a range of items – notably management fees, professional services, other independent services, interest, dividends and royalties. However, such withholding taxes are subject to the application of the New Zealand/Fiji Double Taxation Agreement.

Accordingly, Fijian withholding tax does not apply to the following:

- Services performed exclusively from New Zealand (New Zealand has full taxing rights to such income), and
- Shrink-wrapped software supplied for distribution from New Zealand (payments for such software are not royalties under the New Zealand/Fiji Double Taxation Agreement).

Where Fijian withholding tax has been deducted in respect of such payments for services and software, please contact in first instance the Fiji Revenue & Customs Authority (FRCA) in Suva to arrange a refund.

If relief is not provided by FRCA, please follow the Double taxation relief/Mutual agreement procedure (MAP) guidance on our website at www.ird.govt.nz (key words: (double taxation, MAP).

New Zealand is currently renegotiating the Double Taxation Agreement with Fiji.

