

NEWSLETTER

March 2012

CONTENTS

Hello Everyone	1
Things to do in March, for the end of financial year	1
Family Assistance / Working for Families	1
Australia is not the same as NZ	2
How do you want to do your books next tax year?	2

April is a Short Month

As April is a short working month incorporating Easter & Anzac holidays please ensure that all March GST papers have been brought in to us early April.

Payment Dates

7 Apr 2012 for 2011 Terminal Tax

20 Apr 2012 for March PAYE

7 May 2012 for March GST and 2012 Provisional Tax

20 May 2012 for April PAYE

28 May 2012 for April GST

Expense Claims

It's not enough to have a GST tax invoice – you need to have a valid business reason for the spending.

Coffees, lunches, bars of chocolate (and other interesting bits) might well be essential to your well-being, but they are not essential to your income.

As for parking fines, speeding tickets, and bribes, these are not deductible because they are against public policy.

Remember that you must have a valid GST Tax Invoice for almost everything — without it, you run the risk of IRD disallowing the spend, and hitting you with penalties.

IRD do not use EMAILS

Painful though it is, it's a security requirement. So if you get an email from IRD it is almost certainly going to be spam, and potentially dangerous. Do not open it, and fully delete it (from your delete box as well).

We as your Tax Agents will only get emails from IRD via secure mail.

All information in this newsletter is to the best of the authors' knowledge true and accurate. No liability is assumed by the authors, or publishers, for any losses suffered by any person relying directly or indirectly upon this newsletter. It is recommended that clients should consult a senior representative of the firm before acting upon this information

Hello Everyone

It's about this time we all realise how close the end of the financial / tax year really is, and for us the next two weeks are going to be busy. We not only have to make sure everything is finished off and filed; we also need to make sure that you start the new year on a good footing.

All this while getting a handle on the changes introduced by IRD, most of which affect us more than they affect you.

Things to do in March, for the end of financial year

- identify any bad debtors, and write them off by ruling a line through them in your book
- get rid of any obsolete stock now, so you don't need to count it on 31 March
- clean up your asset holdings (ring us if you want a copy of your asset register)
- be careful if you go on a spending spree. Assets don't reduce taxes, and stock on hand at 31 March is added back in. But some expenses are okay - stationery, for example.
- think about what you are going to do next year, and if you are going to make any changes. Sometimes we need to plan for that in this tax year.
- set up your new company before 31 March
- if setting up a computer programme, including payroll, be ready to go by 1 April

If you want/need to set up a new company, or get registered for GST, please let us know now, so that we can allow for delays at IRD and MED.

Family Assistance / Working for Families

From April 2011, IRD have made the income definition much broader, and there is a form that now needs to be filed as part of your annual tax returns. Income now includes all sorts of things that never used to be added in — including trust distributions, passive income earned by the children, and assistance with bills and childcare from outside the family unit. So more than ever it is a good idea to be on

lump sum end of year Family Assistance payments if possible.

Australia is not the same as NZ

If you are thinking of moving to Australia, make sure you do your homework well. The Aussie tax rules are just different enough to get you into trouble if you don't check first. For example:

- The PAYE taxes tend to be higher, because of the steeper rates, and the additional deductions of superannuation and workers compensation. Low earners are taxed less.
- GST is much more complex because of the exemptions.
- Trusts behave differently for taxation, and
- Capital gains tax will catch business growth, and even your retained property in NZ.

And there is also a complex process of changing your tax country from NZ to Oz — you can end up accountable to both tax departments if it's not done right.

How do you want to do your books next tax year?

There are two broad categories of clients:

- those where we do the GST two monthly, and
- those who give us their records at end of year

Of those who give us their records at the end of the year, there are four types

- box of bits
- excel or paper cash book
- computerised cash/accounting book not reconciled fully
- balanced fully reconciled computerised cash book

If you are think you want do things differently, maybe use a computer, please talk to us first. A computer doesn't mean that you get the right answer nor that it will automatically make end of year easier. And doing it yourself doesn't necessarily save on accounting fees. We use and are a fan of BankLink software and if you wish to use this software we can assist in setting this up.

When we do the GST, we don't need to go and recheck all of the work at tax time. And we also have the information on tap if you need interim accounts.

If doing it yourself is the answer, we will help you choose a way that is best for you, and doesn't make life more difficult for us.

All information in this newsletter is to the best of the authors' knowledge true and accurate. No liability is assumed by the authors, or publishers, for any losses suffered by any person relying directly or indirectly upon this newsletter. It is recommended that clients should consult a senior representative of the firm before acting upon this information