

June 2015 Client Newsletter

Keep Your Invoices for 7 years

For GST purposes you need to keep tax invoices for all items you purchase that are \$50 or more. You still need some form of invoice for items below \$50.

For Income Tax purposes you need invoices for ALL items regardless of their value.

If IRD were to audit you, they will disallow any expenses that you cannot produce an invoice for.

Having a good filing system will save you time and money!!

Provisional Tax – Help Us, Help You, Get it Right

If your Company short pays its provisional tax, the IRD will charge you interest. Their current interest rate is 9.21% (previously 8.40%).

If you are anticipating any major fluctuations in either income or expenses this year then it is in your interests to discuss this with us.

“Coming together is the beginning; keeping together is progress; working together is success.”
Henry Ford



Make the most of your ability to claim for accommodation and meals

There are new rules effective from 1 April 2015 that clarify the tax treatment for meals and accommodation that you supply to employees. If you are a shareholder employee, that includes meals and accommodation that you provide to yourself !! Conditions apply

Vehicles & Fringe Benefit Tax (FBT)

We understand that FBT is on the IRD's radar!!

If you do not pay FBT because you have a "Work Related Vehicle" there are two key things to remember:

1. The vehicle must be clearly and prominently sign written; and
2. The vehicle must **not be available** for private use



During the working week, your risk of private use may well be minimal. However, over weekends and during the holidays, there is plenty of potential for the private use restriction to be breached.

Do you take your company vehicle on day trips to the beach, to visit friends or away on holiday?

If you currently pay FBT you have nothing to worry about because your private use has been accounted for. If you do not pay FBT because of the work related vehicle exemption, now is a good time to revisit your claim to there being no private use.

If you think that you could be at risk, please talk to us about ways to mitigate your risk and/or what it would mean if you were to register for FBT.