

What's New at The Accounting Room – Staff Updates

Chris Popata

As you may be aware Chris Popata left our firm in February to take up a new position out of the accounting sector. Chris helped many clients over the last 14 years who, I am sure will join with us in wishing him well in his new endeavour.



Nicolene Rich

Introducing the latest member of our team, Nicolene Rich.

Nicolene initially moved to Rotorua from South Africa and worked at BDO as an auditor before moving to New Plymouth. She has a degree in BCom Chartered Accountancy and an Honours degree in Financial Accounting. She completed her articles in South Africa and has experience in commercial accounting.

Nicolene's main area of work will be preparing GST, wages and annual accounts.

Long Service
3 of our team members recently reached milestones with the firm. Congratulations to: (L to R)
Daxa -15 years,
Dallis - 10 years
Sheryl -10 years



Our bank will no longer accept cheques, therefore we will no longer be able to accept payment this way. Payment can be made by internet banking or EFTPOS when you are in the office. We also offer a 6- or 12-month payment service on amounts over \$500 for those who like to spread their expenses

Key Tax Dates June – July 2021

Date	Category	Description
20 June	PAYE	Small & large employers' payment due. File employment information within two working days after payday.
28 June	GST	Payment and return due for periods ending May.
5 July	PAYE	Large employers' payment due, File employment information within two working days after payday.
20 July	PAYE	Small & large employers' payment due. File employment information within two working days after payday.
28 July	GST	Payment and return due for periods ending June.

New 39% Tax Rate: what next?

The new 39% marginal rate that applies to all employment income over \$180,000 is now in force. Consider how the new rate will affect you and your business.

The 39% rate and.....

TRUSTS?

From now on, you'll need to disclose a lot more information to Inland Revenue in your annual trust tax returns. The additional information will provide the Government with information on how trusts are being used, particularly with the introduction of the new 39% tax rate. As part of their annual income tax return, trustees will now have to disclose:

- Financial accounting information, including profit and loss statements and balance sheet items
- Loans to related parties
- Information on distributions and settlements made during the income year
- Names and details of settlors from prior years
- Names and details of each person who, under a trust deed, has the power to appoint/dismiss a trustee, to add/remove a beneficiary, or to amend the trust deed.

BENEFICIARY INCOME FROM A TRUST?

If you receive beneficiary income from a trust let us know if you'd like to know more about your tax position.

PROPERTY OR SHARES?

If you are looking to purchase assets such as property or shares, or already have such investments, it would be prudent to assess your overall investment strategy so that it meets your commercial and personal goals, including your tax profile.

Such investments are able to be held in companies or a trust, which have tax rates of 28% and 33% respectively, however on distribution to individuals in most cases the individual's tax rate will effectively be applied.

A strong note of caution - the main reason for any restructuring of your investments should not be due to any perceived tax benefits arising out of the restructure. Any restructuring should be focused on achieving key objectives such as successful commercial, risk, succession, and asset protection outcomes. Talk to us and we can review and assist you with planning to meet your objectives.

FBT?

A new Fringe Benefit Tax (FBT) rate of 63.93% will apply if your income is over \$180,000. Talk to us about your current FBT profile and we can review it together.

SUPERANNUATION CONTRIBUTION TAX?

Time to check whether you have employees whose Employer Superannuation Contribution Tax (ESCT) and Retirement Savings Contribution Tax (RSCT) rate threshold **exceeds \$216,000**. The tax rate for these has risen to 39% (as of 1 April 2021).

Call us to discuss salary sacrifice and tax planning.

RWT and RLWT?

If you earn interest, this will be taxed at 39% (RWT) from 1 October 2021. If you're selling property covered by the bright-line test, Residential land withholding tax: (RLWT) will increase from 1 April 2021 to 39% (except where the vendor is a company).

ADDITIONAL EMPLOYMENT INCOME?

The tax change applies to all employment income over \$180,000 a year, including bonuses, back pay, redundancy, and retirement payments. As an employer, take account of when additional remuneration to employees may affect their tax obligations and make sure tax is deducted correctly.



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