

## GST – Overseas hunters in New Zealand for big game guided hunting



### Introduction

1. Overseas hunters can take part in a big game guided hunting experience in New Zealand with a hunting guide or outfitter on a game estate, private land with permission or Crown land with appropriate permits.
2. Overseas hunters who participate in guided hunting experiences in New Zealand often acquire souvenir animal parts that they want sent to their home overseas.
3. Souvenir animal parts must be expedited or mounted before being exported overseas. Therefore, an overseas hunter or their New Zealand outfitter will arrange for a taxidermist to carry out the necessary taxidermy work on their souvenir animal parts before they are exported.
4. If the New Zealand outfitter or taxidermist is registered for GST, GST will be added to the prices an overseas hunter pays for a guided hunting experience and any souvenir animal parts or hunting souvenirs. GST will be added at either the standard-rate (15%) or the zero-rate (0%).

### GST on the guided hunt

5. A New Zealand outfitter supplies a variety of goods and services to an overseas hunter as part of a guided hunting experience in New Zealand. This may include:
  - airport transfers to and from the hunting lodge
  - accommodation and meals
  - guiding services
  - the chance to kill particular breeds and quality of animals
  - transport around the hunting grounds
  - licences and permits
  - gun hire
  - Safari Club International point scoring.
6. The outfitter will add GST at the standard-rate to the price of a guided hunting experience because the hunter “consumes” those goods and services while in New Zealand.

#### What is GST?

Goods and services tax (GST) is a 15% tax added to the price of most goods and services sold in New Zealand. Sometimes goods sold for export are taxed at a reduced GST rate of 0% instead of the standard-rate of 15%. This is referred to as “zero-rating”.

#### What are souvenir animal parts?

“Souvenir animal parts” refer to the parts of a trophy hunting animal killed by a hunter (for example, heads, shoulders, skins, antlers or bodies) that may later be expedited or mounted.

#### What are hunting souvenirs?

“Hunting souvenirs” refer to the souvenir animal parts once they have been expedited or mounted by a taxidermist.

#### What is a trophy fee?

“Trophy fee” refers to the amount paid by the hunter for the opportunity to hunt and kill a New Zealand outfitter’s animal and for its souvenir parts. It is a separate amount from any amounts paid by the hunter for food, accommodation and the like.

### **GST on hunting souvenirs**

7. After the hunt, the overseas hunter may want hunting souvenirs sent to their overseas home.
8. The amount of GST added to either the price of hunting souvenirs or souvenir animal parts depends on the agreement between the overseas hunter and the New Zealand outfitter, and whether the animal is killed on Crown land.

#### ***Zero-rated hunting souvenirs***

9. The New Zealand outfitter may agree to supply the overseas hunter with a hunting souvenir from the hunt. If they also agree to export that hunting souvenir **"in the course of, or as a condition of, the supply"**, then the GST on the hunting souvenir is zero-rated. However, the New Zealand outfitter must export the hunting souvenir overseas within a certain time frame agreed with Inland Revenue.
10. To calculate the GST correctly, the New Zealand outfitter must determine the value of both the standard-rated hunting experience and the zero-rated hunting souvenir. Any trophy fee for an animal killed is split between the standard-rated hunting experience and the zero-rated hunting souvenir – so not all of a trophy fee can be zero-rated. The Commissioner has published CS 20/02 for outfitters to work out what portion of a trophy fee can be zero-rated. Outfitters can choose not to use CS 20/02.

#### ***Standard-rated hunting souvenirs***

11. If an outfitter agrees to supply a hunting souvenir to an overseas hunter but does not agree to export it **"in the course of, or as a condition of, the supply"**, GST must be added to the price of the hunting souvenir at the standard-rate of 15%. This means no amount charged by the outfitter is zero-rated.

#### ***Zero-rated souvenir animal parts and independent taxidermy services***

12. Rather than agreeing to supply a hunting souvenir, an outfitter may sometimes agree with the overseas hunter to export **souvenir animal parts "in the course of, or as a condition of, the supply"**. If so, the overseas hunter must, for biosecurity reasons, organise a New Zealand taxidermist to expedite or mount the souvenir animal parts before they are exported.
13. In that case, both the price of the souvenir animal parts supplied by the outfitter and the price of the New Zealand taxidermist's services can be zero-rated. However, zero-rating depends on the goods being exported by the outfitter within the time allowed by Inland Revenue.

#### ***Standard-rated souvenir animal parts***

14. If an outfitter agrees to supply souvenir animal parts to an overseas hunter, but does not agree to export them **"in the course of, or as a condition of, the supply"**, GST must be added to the price of the souvenir animal parts at the standard-rate of 15%. This means no amount charged by the outfitter is zero-rated.
15. Any taxidermy services performed in New Zealand on those souvenir animal parts will also have GST added at the standard-rate.

#### ***Wild animals on Crown land***

16. If an overseas hunter kills a wild animal on Crown land, then the ownership of the wild animal automatically transfers from the Crown to the overseas hunter. As a result GST on a wild animal guided hunting experience on Crown land is always standard-rated.

### NZ Customs value

17. The GST value attributed to the souvenir animal parts for zero-rating, together with any related taxidermy and packing charges, should be the basis of the value of the exported goods for New Zealand Customs purposes.

#### Where to get more information

For more information on GST and the hunting industry, see:

- the other *two factsheets in this series (prepared for New Zealand hunting outfitters and taxidermists) - IS 20/02 FS 1 and IS 20/02 FS 2*
- *Interpretation Statement IS 20/02 Goods and Services Tax – Supplies by New Zealand hunting outfitters and taxidermists to overseas hunters.*
- **Commissioner's Statement CS 20/02 Trophy hunting and the GST treatment of the "Trophy Fee"**

These documents are available from our website [taxtechnical.ird.govt.nz](http://taxtechnical.ird.govt.nz)