

TAX INFORMATION BULLETIN

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This is an Inland Revenue service to people with an interest in New Zealand taxation.

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Every month the Tax Information Bulletin is loaded onto Inland Revenue's Internet web site. This happens on the same day as the paper copy goes to the printers, so the web site copy will always be available about ten days before we can post you a paper copy.

You can find us at:

<http://www.ird.govt.nz>

This web site contains all the TIBs back to October 1996 (Volume Eight, No.6). These will be permanently available; we have no plans to remove them.

Also on our web site is other Inland Revenue information which you may find useful, including any draft binding rulings and interpretation statements that are available. All this material is saved in PDF format, which you can read using freely-available software.

If you find that you prefer the electronic copy of the TIB and no longer need a paper copy, please fill in and return the form at the back of this TIB so we can take you off our mailing list.

Compliance and penalties - amendments to TIB Volume Eight, No.7

The appendix to this TIB is a single sheet of amendments to TIB Volume Eight, No.7, which dealt with the new taxpayer compliance and penalties provisions. We suggest that you file it with your copy of TIB 8.7 for future reference.

Legislation and determinations

This section of the TIB covers items such as recent tax legislation, accrual and depreciation determinations, livestock values and changes in FBT and GST interest rates.

Aquariums - Depreciation Determination DEP22

In TIB Volume Eight, No.10 (December 1996) at pages 2 and 3, we published a draft general depreciation determination for aquariums. No submissions on the draft determination were received, and the Commissioner has now issued the determination.

The determination is produced below, and may be cited as, "Determination DEP22: Tax Depreciation Rates General Determination No.22". The new depreciation rate is based on an estimated useful life ("EUL") as set out in the determination and a residual value of 13.5% of cost.

General Depreciation Determination DEP22

This determination may be cited as, "Determination DEP22: Tax Depreciation Rates General Determination Number 22".

1. Application

This determination applies to taxpayers who own the asset class listed below.

This determination applies to "depreciable property" other than "excluded depreciable property" for the 1996/97 and subsequent income years.

2. Determination

Pursuant to section EG 4 of the Income Tax Act 1994 I hereby amend Determination DEP1: Tax Depreciation Rates General Determination Number 1 (as previously amended) by:

- Inserting into the "Office Equipment and Furniture" industry category the general asset class, estimated useful life, and diminishing value and straight-line rates listed below:

Office Equipment and Furniture	Estimated useful life (years)	DV banded dep'n rate (%)	SL equivalent banded dep'n rate (%)
Aquariums	4	40	30

3. Interpretation

In this determination, unless the context otherwise requires, expressions have the same meaning as in the Income Tax Act 1994.

This determination is signed by me on the 11th day of February 1997.

Jeff Tyler

Assistant General Manager (Adjudication & Rulings)

Student Loan scheme - interest rates and repayment threshold for 1997-98

On 19 December 1996 the Minister of Education announced the interest rates and the repayment threshold for the Student Loan scheme for the year starting on 1 April 1997.

The total interest rate will be 8.2 percent. This is made up of the base interest rate of 5.9 percent and the interest adjustment rate of 2.3 percent.

The repayment threshold for the 1997-98 income year will be \$14,560.

Use of money interest rates from February/April 1997

New use of money interest rates for all revenues and duties were announced by the Minister of Finance and Revenue on 21 January.

The rate for overpayments of tax is 7.1% per annum and the rate for underpayments of tax is 13.9% per annum. The rates apply from 7 February 1997 for provisional tax and from 1 April 1997 for all other revenues and duties.

Two-way interest rules apply to all revenues and duties from the 1997-98 income tax year.

The use of money interest rates have been calculated under a new process which is designed to be consistent and transparent. They will be reviewed regularly to ensure that they reflect the underlying market rates.

The formula for calculating interest on overpaid tax is based on the latest available monthly average Reserve Bank 90 day bank bill rate series less 100 basis points. The formula for calculating interest on underpaid tax is based on the latest available monthly average Reserve Bank business base lending rate series plus 200 basis points.

The provisional tax interest rates have also been amended from 7 February 1997, so that they will reflect the use of money interest rates applying from that date: 7.1% per annum for tax overpayments and 13.9% per annum for tax underpayments.

This is a change from the old rates of 8.2% per annum for tax overpayments and 13.8% per annum for tax underpayments, reflecting the shift in the underlying market rates since the old provisional tax interest rates were set.

Interest received from Inland Revenue on overpayments will be assessable, and interest paid on underpayments may be deductible for taxpayers in business.

The new rates apply to the following revenues and duties:

- Accident Compensation levies - including employer and earner premium
- cheque duty
- Child Support deductions (by employers)
- credit card transaction duty
- dividend withholding tax (on ordinary dividends)
- Family Support
- foreign dividend withholding payment accounts
- fringe benefit tax
- gaming machine duty
- gift duty
- goods and services tax
- income tax
- lottery duty
- non-resident withholding tax (on interest and dividends)
- PAYE deductions (including Student Loan scheme repayments)
- qualifying company election tax
- resident withholding tax (on specified dividends)
- specified superannuation contribution withholding tax
- stamp duty
- totalisator duty

Binding rulings

This section of the TIB contains binding rulings that the Commissioner of Inland Revenue has issued recently.

The Commissioner can issue binding rulings in certain situations. Inland Revenue is bound to follow such a ruling if a taxpayer to whom the ruling applies calculates tax liability based on it.

For full details of how binding rulings work, see our information booklet "Binding Rulings" (IR 115G) or the article on page 1 of TIB Volume Six, No.12 (May 1995) or Volume Seven, No.2 (August 1995). You can order these publications free of charge from any Inland Revenue office.

Trans Power's services in connection with AC Hedge contracts not exempt as financial services for GST purposes

Product Ruling - BR Prd 97/3

This is a product ruling made under section 91F of the Tax Administration Act 1994.

Taxation Laws

All legislative references are to the Goods and Services Tax Act 1985 unless otherwise stated.

This Ruling applies in respect of sections 3 and 14 of the Act.

The Arrangement to which this Ruling applies

Background

With effect from 1 October 1996 the wholesale electricity market commenced. Instead of generators such as ECNZ and Contact simply setting the prices, a market mechanism has been put in place whereby loads can place bids for demand, and generators offer to supply, in each half hour with a single clearing price being established.

The market allows participants (generators such as ECNZ and Contact, electricity wholesalers, local electricity companies and certain large consumers), together with traders and speculators, to buy and sell electricity, the price being determined by supply and demand.

Physical electricity is traded in this market 24 hours prior to delivery and bids and offers can be changed up to four hours prior to the real delivery time. Forward energy price contracts issued by major players, e.g. ECNZ, will quote prices hedged at the two principal "nodes" or off-take points - Benmore and Haywards.

These fluctuating spot prices contrast sharply with the existing "smoothed" electricity market. A major reason for this will be the varying costs of delivery of electricity through the grid to the various take off points, or "nodes". Electricity can be lost along the way, or various factors can constrain supply, e.g. the Cook Strait cable. Thus, the variable cost of delivering electricity will be different at various off-take places in New Zealand, from the prices quoted at the principal nodes (Benmore and Haywards).

The Arrangement

The Arrangement is Trans Power entering into, and administering, hedge facility agreements ("AC Hedge contract") with participants.

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Trans Power has established a secondary market for hedging against future changes in variable electricity transmission costs. This is a voluntary market open to all market participants. It is not restricted to those buying or selling physical electricity. It provides a hedge against the variable transmission prices ahead of the electricity being dispatched into the grid.

The AC Hedge contract is a contract for payment of the difference between the ratio of prices at a nominated off-take node and the reference node in that island (Benmore or Haywards). It is not an electricity supply contract.

What is hedged is the nominated (entered) ratio between the two prices, not the difference in electricity price. The contract does not affect the delivery of any physical electricity. The market is open to persons such as pure financial speculators who are not directly involved in the physical supply or purchase of electricity.

In operating the AC Hedge contracts, Trans Power (as well as being the hedge counter party) is responsible for calculating the amount ("Difference Amount") payable on the maturity of each hedge contract. It must account to each counterparty, and oversee payment on a monthly reconciliation. It monitors and clears any trading in the hedges between approved participants. These functions are set out in the AC Hedge contract itself. Trans Power also makes relevant information available to the market place.

Clause 8 of the AC Hedge Contract provides for assignment of the contract. The express written consent of Trans Power must be obtained before the assignment can take place.

The Securities Commission has recently authorised Trans Power as a "dealer" in futures contracts in relation to the AC Hedges. This means that Trans Power can deal in or buy and sell the hedges, on behalf of others, as well as being a direct party.

Assumptions made by the Commissioner

This Ruling is based on the assumption that:

- The AC Hedge contract market does not constitute an "authorised futures exchange" as that term is defined by the Securities Amendment Act 1988.

How the Taxation Laws apply to the Arrangement

Subject in all respects to the assumptions above, the Taxation Laws apply to the Arrangement as follows:

- The services provided by Trans Power in respect of the entering into and settlement of AC Hedge contracts do not constitute the supply of financial services pursuant to section 3(1). Accordingly, they are not exempt supplies pursuant to section 14(a) of the Act.

The period for which this Ruling applies

This Ruling will apply from 1 November 1996 until 30 September 1999.

This Ruling is signed by me on the 22nd day of January 1997.

Martin Smith
General Manager (Adjudication & Rulings)

Legal decisions - case notes

This section of the TIB sets out brief notes of recent tax decisions made by the Taxation Review Authority, the High Court, the Court of Appeal and the Privy Council.

We've given full references to each case, including the citation details where it has already been reported. Details of the relevant Act and section will help you to quickly identify the legislation at issue. Short case summaries and keywords deliver the bare essentials for busy readers. The notes also outline the principal facts and grounds for the decision. Where possible, we have indicated if an appeal will be forthcoming.

These case reviews do not set out Inland Revenue policy, nor do they represent our attitude to the decision. These are purely brief factual reviews of decisions for the general interest of our readers.

Forestry block sold early – cessation of activity for GST purposes?

Case: TRA No. 95/43

Decision date: 16 December 1996

Act: Goods and Services Act 1985 – section 51(1)(c)

Keywords: *Cessation of activity*

Summary: The TRA found that the objector's activity ceased prematurely, so the registration threshold was breached solely as a consequence of cessation and within the provisions of section 51(1)(c) of the GST Act. Consequently the objectors were not liable to be registered in respect of the activity.

Facts: The objector trust owned a block of rural land. Part of it was rented out for grazing and the remainder was developed as a forestry block. The turnover from the forestry block did not require GST registration. However, the land was subsequently subdivided and the forestry block was sold. The value of this supply exceeded \$30,000. The Commissioner then held the trust liable to register under section 51 (1) of the GST Act, even though the sale led to the cessation of the forestry activity.

Decision: The TRA ruled that the correct way of approaching the factual issue was to inquire whether or not the objectors did in fact close down or substantially reduce a business which would have otherwise run its course beyond the date of the closure or substantial permanent reduction. The Authority considered these questions:

- What was the business of the trustees?
- Did they cease that business prematurely?

His Honour was satisfied that the sale of the forestry block occurred at a time significantly earlier than had originally been intended when the forestry activity was first undertaken. As a consequence and despite the fact that the supply in question was always the objective of the activity the proviso to section 52(1) applied to the objector.

Loss offset in group of companies

Case: Golden Bay Cement Company Limited v CIR

Decision date: 11 December 1996

Act: Income Tax Act – Section 191 (8)

Keywords: *Offsetting profits and losses*

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Summary: The Court held that section 191(8) does not provide a third and independent method (to subsections (5) and (7)) by which losses can be offset against profits. The Court concluded that section 191(8) is merely procedural and provides a method of assessment which will take into account the offsetting allowed by subsections (5) and (7).

Facts: The objector had four wholly owned subsidiaries and constituted a “specified group” for the purposes of section 191. In 1984 the objector applied on behalf of the group to be jointly assessed under section 191(8), to which the Commissioner agreed. In the 1987 tax year three of the subsidiaries showed profits totalling \$19,387,191. The objector and the remaining subsidiary showed losses of \$9,801,568. A joint assessment was made offsetting the profits and losses. During the following tax year there was a change in the objector’s shareholding.

The Commissioner issued an amended joint assessment which disallowed the offsetting of losses against profits within the group.

The taxpayer objected to the amended assessment and commenced proceedings for judicial review to challenge the validity of the amended assessment. The Court of Appeal rejected the judicial review claim.

The objector appealed following the High Court decision upholding the Commissioner’s amended assessment.

Decision: The Court held that section 191(8) does not provide a third and independent way by which losses can be offset against profits between the companies in a group. It is merely an available method of assessment. It will achieve, by single joint assessment, the same tax liability as would follow from individual assessments, allowing losses to be offset to the extent that they qualify under section 191(5) or 191(7).

The Court stated that it would be surprising if subsection (8) was intended to enable losses to be offset against the profits of other members of the group without being made subject to the same restriction as subsections (5) and (7).

The Court concluded, following the appellants submissions on the legislative history of the provisions, that the legislative history provided no basis for departing from the interpretation suggested by the words themselves in section 191(8), and particularly by the second part of that subsection which shows that the total liability of the companies in the group was to be the same as if individually assessed. This is reinforced by the express application of subsection (7A) to subsections (5) and (7) but not to subsection (8).

FBT on vehicles used by employees of earthmoving company

Case: TRA No. 95/068

Decision date: 17 December 1996

Act: Income Tax Act 1976 – section 336N (1)

Keywords: *Fringe benefit tax*

Summary: The TRA concluded that employees’ travel to and from their homes was in fact business related travel between worksites. The objectors were therefore not liable for fringe benefit tax on use of the vehicles.

Facts: The objector partnership carried on an earth moving and transport business. It provided three employees with utility vehicles and one employee with an Escort van which the employees garaged at their homes. The employees used those

vehicles for travel between their homes and the work sites at which they were operating as well as for general business purposes.

Decision: During the hearing the TRA took the view that as a prerequisite to the issue, the employees had to be deriving a benefit in the nature of private use or enjoyment of the vehicle. The case came to be decided on this point.

The TRA focused on a number of additional work activities that the employees were expected to carry out from their homes. This involved some book work such as writing dockets and keeping diary notes for various jobs. His Honour held that the three employees were in effect expected to operate and manage the employer's business direct from their homes. In addition the drivers in question were all part of an emergency team and available to carry out emergency work. Accordingly, his Honour concluded that the employees' travel to and from their homes was business related between worksites.

Timeshare purchase - GST input deduction

Case: TRA No. 94/94

Decision date: 17 January 1997

Act: Goods and Services Tax Act 1985 – section 57(2)(a)

Keywords: *Timeshare complexes*

Summary: The TRA held that the objector husband and wife partnership was not entitled to a GST input refund on the purchase price of a title-based timeshare.

Facts: The objectors were registered for GST as a result of operating a takeaway food business. They purchased a unit in a timeshare complex consisting of 35 units and recreational, restaurant/bar and conference facilities. The units were subdivided under the Unit Titles Act 1972 and then cross-leased to reflect the shareowners' time limited interest in the unit. The objectors purchased a stratum estate in freehold as to an undivided 7/52 share in a particular unit and accessory unit and an estate in leasehold in a shared ownership period for 7 shared ownership period weeks per year.

The occupation and rental agreement entitles the objectors to seven weeks' accommodation per year in the complex, or alternatively they may share in the rental profits from the whole rental operation of the hotel under an entitlement formula. In most of the years the objectors have used a combination of these two options.

The complex is run by an accommodation partnership which is registered for GST. This partnership was made up of the current group of timeshare owners. The accommodation partnership returns output tax and claims input credits on all rental activity carried out by a management company on the partnership's behalf. The partnership makes either a net profit or loss which is transferred to the capital accounts of its partners, including the objectors.

Individual units are owned by the individual partners, not by the partnership. The objectors do not lease or license the property to the partnership.

Decision: When the objectors purchased the timeshare their main or primary purpose was to acquire an investment. It was acquired for the purpose of making taxable supplies, namely letting commercial hotel premises to the public.

However, when the objectors purchased the timeshare they became members of the accommodation partnership and as such under section 57(2)(a) of the Goods

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and Services Tax Act 1985 they could not be registered in relation to the operation of the timeshare. The supply of the timeshare is deemed by section 57(2)(b) to be made by the accommodation partnership.

His Honour noted that the solution for the objectors was that the accommodation partnership should claim the acquisition input under section 57(2)(c) and then pass it back to the objectors as part of their annual profit as a partner in the accommodation partnership.

Booklets available from Inland Revenue

This list shows all of Inland Revenue's information booklets as at the date of this Tax Information Bulletin. There is also a brief explanation of what each booklet is about.

Some booklets could fall into more than one category, so you may wish to skim through the entire list and pick out the booklets that you need. You can get these booklets from any IRD office.

The TIB is always printed in a multiple of four pages. We will include an update of this list at the back of the TIB whenever we have enough free pages.

General information

Binding rulings (IR 115G) - May 1995: Explains binding rulings, which commit Inland Revenue to a particular interpretation of the tax law once given.

Disputing a notice of proposed adjustment (IR 210K) - Oct 1996: If we send you a notice to tell you we're going to adjust your tax liability, you can dispute the notice. This booklet explains the process you need to follow.

Disputing an assessment (IR 210J) - Oct 1996: Explains the process to follow if you want to dispute our assessment of your tax liability, or some other determination.

How to tell if you need a special tax code (IR 23G): Information about getting a special "flat rate" of tax deducted from your income, if the regular deduction rates don't suit your particular circumstances.

If you disagree with us (IR 210Z) - Sep 1996: This leaflet summarises the steps involved in disputing an assessment.

Income from a Maori Authority (IR 286A) - Feb 1996: For people who receive income from a Maori authority. Explains which tax return the individual owners or beneficiaries fill in and how to show the income.

Independent Family Tax Credit (FS 3) - Sep 1996: Introducing extra help for families, applying from 1 July 1996.

Inland Revenue audits (IR 297) - May 1995: For business people and investors. It explains what is involved if you are audited by Inland Revenue; who is likely to be audited; your rights during and after the audit, and what happens once an audit is completed.

Koha (IR 278) - Aug 1991: A guide to payments in the Maori community - income tax and GST consequences.

Maori Community Officer Service (IR 286) - Apr 1996: An introduction to Inland Revenue's Maori Community Officers and the services they provide.

New Zealand tax residence (IR 292) - Apr 1994: An explanation of who is a New Zealand resident for tax purposes.

Objection procedures (IR 266) - Mar 1994: Explains how to make a formal objection to a tax assessment, and what further options are available if you disagree with Inland Revenue.

Overseas social security pensions (IR 258) - Jul 1996: Explains how to account for income tax in New Zealand if you receive a social security pension from overseas.

Problem Resolution Service (IR 287) - Nov 1993: An introduction to Inland Revenue's Problem Resolution Service. You can use this service if you've already used Inland Revenue's usual services to sort out a problem, without success.

Provisional tax (IR 289) - Jun 1996: People whose end-of-year tax bill is \$2,500 or more must generally pay provisional tax for the following year. This booklet explains what provisional tax is, and how and when it must be paid.

Putting your tax affairs right (IR 282) - May 1994: Explains the advantages of telling Inland Revenue if your tax affairs are not in order, before we find out in some other way. This book also sets out what will happen if someone knowingly evades tax, and gets caught.

Rental income (IR 264) - Apr 1995: An explanation of taxable income and deductible expenses for people who own rental property. This booklet is for people who own one or two rental properties, rather than larger property investors.

Reordered tax acts (IR 299) - Apr 1995: In 1994 the Income Tax Act 1976 and the Inland Revenue Department Act 1974 were restructured, and became the Income Tax Act 1994, the Tax Administration Act 1994 and the Taxation Review Authorities Act 1994. This leaflet explains the structure of the three new Acts.

Self-employed or an employee? (IR 186) - Apr 1993: Sets out Inland Revenue's tests for determining whether a person is a self-employed contractor or an employee. This determines what expenses the person can claim, and whether s/he must pay ACC premiums.

Stamp duty and gift duty (IR 665) - Mar 1995: Explains what duty is payable on transfers of real estate and some other transactions, and on gifts. Written for individual people rather than solicitors and legal firms.

Student Loans - how to get one and how to pay one back (SL 5) - 1996: We've published this booklet jointly with the Ministry of Education, to tell students everything they need to know about getting a loan and paying it back.

Superannuitants and surcharge (IR 259) - Jul 1996: A guide to the surcharge for national superannuitants who also have other income.

Tax facts for income-tested beneficiaries (IR 40C) - Jun 1996: Vital information for anyone who receives an income-tested benefit and also has some other income.

Taxes and duties (IR 295) - May 1995: A brief introduction to the various taxes and duties payable in New Zealand.

Taxpayer obligations interest and penalties (IR 240) - Jan 1997: A guide to the new laws dealing with interest, offences and penalties applying from 1 April 1997.

Trusts and estates - (IR 288) - May 1995: An explanation of how estates and different types of trusts are taxed in New Zealand.

Visitor's tax guide - (IR 294) - Nov 1995: A summary of New Zealand's tax laws and an explanation of how they apply to various types of visitors to this country.

Business and employers

ACC premium rates - Mar 1996: *There are two separate booklets, one for employer premium rates and one for self-employed premium rates. Each booklet covers the year ended 31 March 1996.*

Depreciation (IR 260) - Apr 1994: *Explains how to calculate tax deductions for depreciation on assets used to earn assessable income.*

Direct selling (IR 261) - Aug 1996: *Tax information for people who distribute for direct selling organisations.*

Electronic payments to Inland Revenue (IR 87A) - May 1995: *Explains how employers and other people who make frequent payments to Inland Revenue can have these payments automatically deducted from their bank accounts.*

Employer's guide (IR 184) - 1996: *Explains the tax obligations of anyone who is employing staff, and explains how to meet these obligations. Anyone who registers as an employer with Inland Revenue will receive a copy of this booklet.*

Entertainment expenses (IR 268) - May 1995: *When businesses spend money on entertaining clients, they can generally only claim part of this expenditure as a tax deduction. This booklet fully explains the entertainment deduction rules.*

First-time employer's guide (IR 185) - April 1996: *Explains the tax obligations of being an employer. Written for people who are thinking of taking on staff for the first time.*

Fringe benefit tax guide (IR 409) - Nov 1994: *Explains fringe benefit tax obligations of anyone who is employing staff, or companies which have shareholder-employees. Anyone who registers as an employer with Inland Revenue will receive a copy of this booklet.*

GST - do you need to register? (GST 605) - March 1996: *A basic introduction to goods and services tax, which will also tell you if you have to register for GST.*

GST guide (GST 600) - 1994 Edition: *An in-depth guide which covers almost every aspect of GST. Everyone who registers for GST gets a copy of this booklet. It is quite expensive for us to print, so we ask that if you are only considering GST registration, you get the booklet "GST - do you need to register?" instead.*

IR 56 taxpayer handbook (IR 56B) - Apr 1996: *A booklet for part-time private domestic workers, embassy staff, nannies, overseas company reps and Deep Freeze base workers who make their own PAYE payments.*

Making payments (IR 87C) - Nov 1996: *How to fill in the various payment forms to make sure payments are processed quickly and accurately.*

PAYE deduction tables - 1997

- Weekly and fortnightly (IR 184X)

- Four-weekly and monthly (IR 184Y)

Tables that tell employers the correct amount of PAYE to deduct from their employees' wages from 1 July 1996.

Record keeping (IR 263) - Mar 1995: *A guide to record-keeping methods and requirements for anyone who has just started a business.*

Retiring allowances and redundancy payments (IR 277) - Jun 1996: *An explanation of the tax treatment of these types of payments.*

Running a small business? (IR 257) Jan 1994: *An introduction to the tax obligations involved in running your own business.*

Smart Business (IR 120) - Jul 1996: *An introductory guide to tax obligations and record keeping, for businesses and non-profit organisations.*

Surcharge deduction tables (IR 184NS) - 1997: *PAYE deduction tables for employers whose employees are having NZ Super surcharge deducted from their wages.*

Taxes and the taxi industry (IR 272) - Feb 1996: *An explanation of how income tax and GST apply to taxi owners, drivers, and owner-operators.*

Resident withholding tax and NRWT

Approved issuer levy (IR 291A) - May 1995: *For taxpayers who pay interest to overseas lenders. Explains how you can pay interest to overseas lenders without having to deduct NRWT.*

Non-resident withholding tax guide (IR 291) - Mar 1995: *A guide for people or institutions who pay interest, dividends or royalties to people who are not resident in New Zealand.*

Resident withholding tax on dividends (IR 284) - Oct 1993: *A guide for companies, telling them how to deduct RWT from the dividends that they pay to their shareholders.*

Resident withholding tax on interest (IR 283) - Jul 1996: *A guide to RWT for people and institutions which pay interest.*

Resident withholding tax on investments (IR 279) - Jun 1996: *An explanation of RWT for people who receive interest or dividends.*

Non-profit bodies

Charitable organisations (IR 255) - May 1993: *Explains what tax exemptions are available to approved charities and donee organisations, and the criteria which an organisation must meet to get an exemption.*

Clubs and societies (IR 254) - Jun 1993: *Explains the tax obligations which a club, society or other non-profit group must meet.*

Education centres (IR 253) - Jun 1994: *Explains the tax obligations of schools and other education centres. Covers everything from kindergartens and kohanga reo to universities and polytechnics.*

Gaming machine duty (IR 680A) - Feb 1992: *An explanation of the duty which must be paid by groups which operate gaming machines.*

Grants and subsidies (IR 249) - Jun 1994: *An guide to the tax obligations of groups which receive a subsidy, either to help pay staff wages, or for some other purpose.*

Company and international issues

Company amalgamations (IR 4AP) - Feb 1995: *Brief guidelines for companies considering amalgamation. Contains an IR 4AM amalgamation declaration form.*

Consolidation (IR 4E) - Mar 1993: *An explanation of the consolidation regime, which allows a group of companies to be treated as a single entity for tax purposes.*

Controlled foreign companies (IR 275) - Nov 1994: *Information for NZ residents with interests in overseas companies. (More for larger investors, rather than those with minimal overseas investments)*

Foreign dividend withholding payments (IR 274A) - Mar 1995: *Information for NZ companies that receive dividends from overseas companies. This booklet also deals with the attributed repatriation and underlying foreign tax credit rules.*

Foreign investment funds (IR 275B) - Oct 1994: *Information for taxpayers who have overseas investments, but who don't have a controlling interest in the overseas entity.*

Imputation (IR 274) - Feb 1990: *A guide to dividend imputation for New Zealand companies.*

Qualifying companies (IR 4PB) Oct 1992: *An explanation of the qualifying company regime, under which a small company with few shareholders can have special tax treatment of dividends, losses and capital gains.*

Child Support booklets

Child Support - a custodian's guide (CS 71B) - Nov 1995: *Information for parents who take care of children for whom Child Support is payable.*

Child Support - a guide for bankers (CS 66) - Aug 1992: *An explanation of the obligations that banks may have to deal with for Child Support.*

Child Support - a liable parent's guide (CS 71A) - Nov 1995: *Information for parents who live apart from their children.*

Child Support administrative reviews (CS 69A) - Jul 1994: *How to apply for a review of the amount of Child Support you receive or pay, if you think it should be changed.*

Child Support - does it affect you? (CS 50): *A brief introduction to Child Support in Maori, Cook Island Maori, Samoan, Tongan and Chinese.*

Child Support - estimating your income (CS 107G) - July 1996: *Explains how to estimate your income so your Child Support liability reflects your current circumstances.*

Child Support - how to approach the Family Court (CS 51) - July 1994: *Explains what steps people need to take if they want to go to the Family Court about their Child Support.*

Child Support - how the formula works (CS 68) - 1996: *Explains the components of the formula and gives up-to-date rates.*

What to do if you have a problem when you're dealing with us (CS 287) - May 1995: *Explains how our Problem Resolution Service can help if our normal services haven't resolved your Child Support problems.*

Due dates reminder

March 1997

- 5 Large employers: PAYE deductions and deduction schedules for period ended 28 February 1997 due.
- 7 Provisional tax and/or Student Loan interim repayments: first 1998 instalment due for taxpayers with November balance dates.
Second 1997 instalment due for taxpayers with July balance dates.
Third 1997 instalment due for taxpayers with March balance dates.
- 20 Large employers: PAYE deductions and deduction schedules for period ended 15 March 1997 due.
Small employers: PAYE deductions and deduction schedules for period ended 28 February 1997 due.
Gaming machine duty return and payment for month ended 28 February 1997 due.
RWT on interest deducted during February 1997 due for monthly payers.
RWT on dividends deducted during February 1997 due.
Non-resident withholding tax (or approved issuer levy) deducted during February 1997 due.
- 31 GST return and payment for period ended 28 February 1997 due.
Non-resident Student Loan repayments - fourth instalment of 1997 non-resident assessment due.

April 1997

- 5 Large employers: PAYE deductions and deduction schedules for period ended 31 March 1997 due.
 - 7 Provisional tax and/or Student Loan interim repayments: first 1998 instalment due for taxpayers with December balance dates.
Second 1997 instalment due for taxpayers with August balance dates.
Third 1997 instalment due for taxpayers with April balance dates.
 - 20 Large employers: PAYE deductions and deduction schedules for period ended 15 April 1997 due.
Small employers: PAYE deductions and deduction schedules for period ended 31 March 1997 due.
All employers: All IR 12 and IR 13 certificates for year ended 31 March 1997 must be completed, and yellow copies given to workers.
FBT return and payment for quarter ended 31 March 1997 due.
Gaming machine duty return and payment for month ended 31 March 1997 due.
RWT on interest deducted during March 1997 due for monthly payers.
RWT on interest deducted 1 October 1996 to 31 March 1997 due for six-monthly payers.
RWT on dividends deducted during March 1997 due.
Non-resident withholding tax (or approved issuer levy) deducted during March 1997 due.
 - 30 GST return and payment for period ended 31 March 1997 due.
-

Public binding rulings and interpretation statements: your chance to comment before we finalise them

This page shows the draft public binding rulings and interpretation statements that we now have available for your review. You can get a copy and give us your comments in two ways:

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<input type="checkbox"/> 3772: Deductibility of interest on money borrowed to refinance a debt used to acquire shares - meaning of "acquired"	31/03/97
<input type="checkbox"/> 3698: Deductibility of interest on money borrowed to pay up uncalled or unpaid capital in a group company - meaning of "to acquire shares"	31/03/97

We must receive your comments by the deadline shown if we are to take them into account in the finalised item



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