

If you would like to discuss any of these matters and how they affect you please don't hesitate to contact us.

E-Commerce

Trading over the internet is becoming more and more popular. Here are a couple of things worth noting:



If you buy something second-hand for use in your business from someone who isn't GST registered, you can still claim back GST. All you need is a detailed record of the transaction and for the goods to have been in New Zealand when you bought them. If you purchase them from Trade Me, you should print the confirmation email or webpage after winning the auction, as this will show the information required.

Consider using Trade Me to find comparable items (in age and condition) to determine the value of items when a market value for tax purposes is required.

Be aware that if you are selling goods on Trade Me (e-bay etc), the IRD is increasing its focus on the hidden e-commerce economy and the details of the volume and value of the trades may be supplied to the Inland Revenue by Trade Me to allow the IRD to undertake risk assessment which may trigger an investigation to check whether you are operating a business and meeting your tax obligations.

To decide whether you are in business the IRD look at:

- the nature of your activity
- how much time, money, and effort you put into the activity
- how long you have been doing the activity and your future plans for the activity
- how much you make from the activity
- whether you run your activity in a similar way to most businesses in the same trade
- if you intend to make a profit.



The IRD are also very interested in those people "renting" out holiday homes (and is actively watching online rental websites) to make sure rental income is being included in income tax returns and in compliance with mixed-use asset rules.

Employers

PAYE Tax Tables The PAYE tax tables for the 2016 tax year including the updated Kiwisaver and Student Loan deduction rates are now available at <http://www.ird.govt.nz/forms-guides/keyword/employers/payee> .

Minimum Wage From 1 April 2015, the adult minimum wage will increase to **\$14.75** an hour. The new entrants' minimum wage and the training minimum wage will increase to **\$11.80** an hour.

Child Support from 1 April 2015, the calculations used by IRD to work out child support payments will change, the IRD will be sending out pamphlets regarding your circumstantial changes, if applicable.

Paid Parental Leave

Increases to paid parental leave and parental tax credits from last year's Budget will come into effect on 1 April 2015. Paid parental leave will increase from 14 to 16 weeks and parental tax credits will go from \$150 for 8 weeks to \$220 for 10 weeks, if your child's due date is on or after 1 April 2015.

CROMWELL 29 THE MALL P O BOX 31 WANAKA 38 ARDMORE ST P O BOX 51
TELEPHONE (03) 445 0616 FAX (03) 445 1693 TELEPHONE (03) 443 8717 FAX (03) 443 8771
EMAIL: cromwelldesk@meadstark.co.nz EMAIL: wanakadesk@meadstark.co.nz

www.meadstark.co.nz

Health & Safety Reform

"Occupational Health and Safety is facing its biggest shake up in 20 years" (ema.co.nz).

There is a Bill currently before Parliament. The new select committee has a report back date of 30 March 2015 and then the Bill will continue its progression through the parliamentary process. It is likely that the Bill will come into force in the second half of 2015.



The definition of "worker" and "workplace" will be significantly broadened.

The new rules will make employers responsible for the health and safety of not only their staff, but also the staff of contractors, managing companies or partners involved for any reason in their business and any other people who can be harmed by the actions or inactions of their employees. Failure to show that "all practicable steps" were taken to prevent a serious incident or fatality will be punishable by fines of up to \$3 million, or five years in prison.

The new rules will also impose an explicit duty of care on directors to ensure Health & Safety obligations of the company are met. The Institute of Directors released the following resources (<https://www.iod.org.nz/Governance-Resources/Publications/Health-and-safety>).

Also see <http://saferfarms.org.nz/>; <http://www.business.govt.nz/worksafe> for some helpful information.

If You're Unable to Pay Your Tax

If you find yourself in the position of being unable to meet your tax payments on due date it is important that you contact either us or the Inland Revenue prior to due date to inform IRD of the situation. By taking this step you can avoid many of the late penalties imposed (interest will still be charged). IRD will work to set up a payment plan. Please note the Inland Revenue's use of money interest rate is currently 8.4%.

Fuel Refunds

If your business operates petrol vehicles and machinery off-road (ATV's, Hydra-ladders, mowers etc), you may be eligible for a refund on the petrol of \$0.66 per litre. Your first claim can include the past 2 years' of petrol usage. Ongoing quarterly claims can be made that reflect your fuel usage.

See <http://www.nzta.govt.nz/resources/factsheets/14/> for more info (please contact us if you require help)

New Companies Office Information Required

All New Zealand companies this year will be required to provide:

- The dates and places of birth for all directors (these will not be publicly available)
- At least one director that either lives in New Zealand; or lives in Australia and is a director of a company incorporated in Australia

Please note we will be asking for this information when completing your Annual return filing with the companies office.

Payment by Credit Card

Please note we are now able to accept credit card payments of our invoices via our webpage.

If you have any tax or business related questions contact your local Mead Stark office.

CROMWELL	29 THE MALL	P O BOX 31	WANAKA	38 ARDMORE ST	P O BOX 51
TELEPHONE (03) 445 0616	FAX (03) 445 1693	TELEPHONE (03) 443 8717	FAX (03) 443 8771		
EMAIL: cromwelldesk@meadstark.co.nz	EMAIL: wanakadesk@meadstark.co.nz				

www.meadstark.co.nz