

MEAD STARK – NEWSLETTER 2017

A QUICK OVERVIEW OF THE LATEST HOT TOPICS



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

Airbnb, Homestays, Boarders, Renting, Bed & Breakfast

Are you renting out your house, providing home stays, taking in a few boarders, running a Bed and Breakfast, or renting a room occasionally via websites like Airbnb?



If so are you aware of your responsibilities? Income tax, GST, rates, insurance etc?

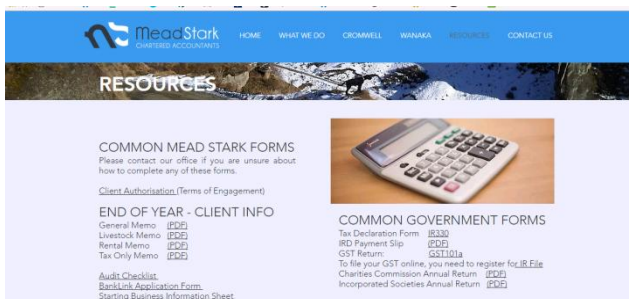
Your tax obligations apply from the start (not when you "make a profit", or earn "over \$x dollars", or "I only do it a couple of times a year"). There are vastly different tax rules that apply, depending on the type of accommodation you are providing.

If you are considering or have provided any of the above types of short or long term accommodation you should discuss with us what your tax position is likely to be.

Employers

PAYE Tax Tables The PAYE tax tables for the 2017 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 2017, the adult minimum wage will increase to **\$15.75** an hour. The new entrants' minimum wage and the training minimum wage will increase to **\$12.60** an hour.



Mead Stark Resources

Remember we have a number of common IRD and other Government forms and links that you may find help on our Resources webpage.

<http://www.meadstark.co.nz/resources>

Landlord obligations

Residential Landlords are facing more requirements regarding insulation of their rental homes, as well as having smoke alarms throughout the house.

See <https://tenancy.govt.nz/> for what you need to do and by what date.

Registered Charity

Are you on the board/committee of a registered Charity? Are you aware of the new financial reporting standards imposed on charities?

<https://charities.govt.nz/new-reporting-standards/>

If you need clarification with what you are required to do, contact us to discuss

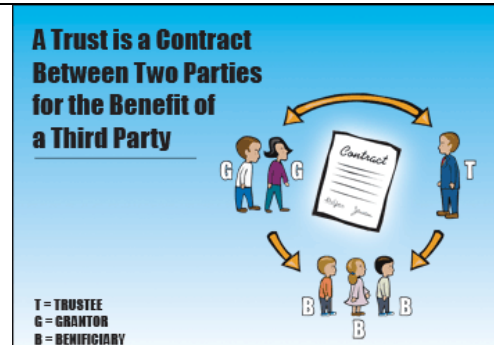
Trusts

Trustees need to minute their decisions!

If you have a family trust, be fussy about recording trustees' decisions.

One problem that arises is taking money out of the trust for your own use. This can be:

- a reduction of money owing to you
- a distribution of some of the trust income
- a payment out of the capital of the trust
- reimbursement for trust expenses paid by you
- a beneficiary loan



It's important to clarify these withdrawals. This is done by means of a trustee minute. If there could be any doubt about the reason for a transaction, be sure to prepare a trustee minute and make sure all trustees sign it before it is actioned.

There are risks involved in being a trustee. It doesn't matter whether the trust is a family trust or a charitable trust. Trustees are directly responsible to the beneficiaries for their management of the trust assets.

IRD are out and about

IRD intend to visit a variety of businesses across New Zealand. The focus for these visits is on helping businesses better understand, what:



- business records you should be keeping
- first stage of their business transformation
- Online information and service options available.

The visits should take less than ten minutes and all of IRD staff undertaking these visits will have identification to verify they work for Inland Revenue.

If you are Unable to Pay Your Tax

If you find yourself in the position of being unable to meet your tax payments on the due date, it is important that you contact either us or the IRD prior to this date to inform them of the situation. By taking this step you can avoid many of the late penalties imposed.

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

