

TAX AGENT ISSUES

UPDATE AS AT 22 JULY | FOR FURTHER DETAILS PLEASE REFER TO OUR [TOP SOLUTIONS WEB PAGES](#)

	Latest Updates
Unfiled returns report	<ul style="list-style-type: none"> We've now released an Unfiled returns report providing tax agents with the following: <ul style="list-style-type: none"> a list of unfiled income tax returns automatically issued assessments with requests for more information (that still require completing) clients who have had an L letter issued or D status approved where the return has not been filed. As the first step in delivering this new service and to balance the overall performance of our system, we'll only be updating the report on Sunday night. This means the report data will match your EOT stats dashboard only on a Monday morning. After our final system release in October, we'll work towards refreshing the data nightly. You can find the report in myIR in the Tax preparer tab under Agency reports. It's accessible to owners, administrators and restricted administrators. You can run the report for each client list you have access to. Find out more at https://www.ird.govt.nz/roles/tax-agents/unfiled-returns-report
Foreign investment fund calculator not working correctly	<ul style="list-style-type: none"> The Foreign investment fund calculator is not working correctly and has been removed from our website. When it is working correctly, we'll let you know. We're sorry for the inconvenience.
We've switched off faxes	<ul style="list-style-type: none"> We're becoming increasingly digital in the way we work and so are our customers. To support this change, we're no longer accepting faxes. The good news is that the options are faster, cheaper, and more secure. myIR offers tools to manage tax and entitlements online, any time, and anywhere. Here's how you can send an email in myIR https://ird.govt.nz/topics/myir-secure-online-services/how-to-send-a-message-in-myir NZ Relay – Customers with hearing loss can use the New Zealand Relay Service (NZ Relay) to contact us. NZ Relay is a service for people who are deaf, hard of hearing, deaf-blind or speech-impaired. Find out more about NZ Relay by visiting https://www.nzrelay.co.nz/index
Automatic individual write offs	<ul style="list-style-type: none"> Some automatic individual write-offs apply to qualifying individuals who receive reportable income and an automatic calculated assessment, not customers that are required to file an IR3 return. Clients that have been issued an IR3 but have only received reportable income may also be eligible for an automatic write-off, you will need to contact us to update their assessment type. If a client is eligible for a write off and they have received an Income tax- more information request, once this has been reviewed and confirmed, we will send an income tax assessment notice showing the tax outcome for the period. This will show if any relevant write off has been applied. There are three automatic individual write off types, one being the extra pay write off (effective from the 2020 year). This write off is applied when a client has a tax bill that is solely as a result of receiving an extra pay period when there are 53 weeks, 27 fortnightly or 14 four-weekly pays within a year and it results in a tax bill. There are exclusions: <ul style="list-style-type: none"> If the client is not employed by the same employer for the full 12 months. Residual income tax is more than: <ul style="list-style-type: none"> Weekly pay - \$230 Fortnightly pays - \$380 Four-weekly pays - \$720 Working for families principal caregiver (at any time) and either entitled to or received payments Client changed tax codes or tax rates IR recommended a change to the customers tax code or tax rate



TAX AGENT ISSUES

UPDATE AS AT 22 JULY | FOR FURTHER DETAILS PLEASE REFER TO OUR [TOP SOLUTIONS WEB PAGES](#)

	Latest Updates
Automatic individual write offs continued...	<ul style="list-style-type: none"> - Tailored tax - Investment income had RWT withheld at a rate lower than the correct rate - Tax was withheld at a rate lower than the correct rate from schedular income, an extra pay, or secondary employment - Gross income of more than \$48000.00 that includes any: <ul style="list-style-type: none"> - Maori authority taxable distribution - Employment as an election day worker (EDW tax code) - Employment as a casual agricultural worker (CAE tax code) - Benefit under an employee share scheme agreement when the employer has not elected to withhold tax. • The automatic individual write off for a Tax bill of \$50 or less – For the 2020 year only, this was increased to \$200, this is back to \$50 for the 2021 income year. • For more information on all three types and the exclusions that apply - you can refer to our Automatic write offs page at https://ird.govt.nz/income-tax/income-tax-for-individuals/what-happens-at-the-end-of-the-tax-year/income-tax-assessments/automatic-write-offs
Wage subsidy and leave support payments in income tax returns	<ul style="list-style-type: none"> • Self-employed customers and other individuals who received a wage subsidy or leave support payment from the Ministry of Social Development (MSD) due to COVID-19 will need to account for this income in their income tax returns where the payments have not passed through the PAYE system. • 'Other individuals' are people who received a subsidy payment without tax deducted at source, for example: non-PAYE shareholder-employees, partners, trustees, Look-through company owners, students, and home-based childcare providers. • These payments are not subject to GST and should not be included in a GST return. • Payments to sole traders are not subject to ACC levies. • Companies with non-PAYE shareholder-employees, who have received the wage subsidy for these employees are liable to ACC levies on these amounts paid as a salary. These amounts should be included in the IR4S shareholder details section in the IR4 income tax return. The amount allocated as shareholder salary should be split between the portion funded by the wage subsidy and the usual shareholder salary for the shareholder(s) IR3. The shareholder should return their salary funded by the wage subsidy in the 'Government Subsidies' field of their IR3 and the balance of the shareholder salary in the 'Total shareholder-employee salary' field. • If payments received under the schemes were received before 31 March 2020, the payment amounts can be spread over the 2020 and 2021 income years. • If payments received under the schemes were received between 1 April 2020 and 31 March 2021, the payment amounts may be able to be spread over the 2021 and 2022 income years. <p>How to include these payments in your tax return</p> <ul style="list-style-type: none"> • For the 2020 year, include payments from these schemes in the 'Other income' field in your tax return. This lets us know ACC levies are excluded from this income. • For the 2021 year, include payments in the 'Government subsidies' field in your tax return. This field is not subject to ACC. • If you've made a partial repayment to MSD in the same year you received the subsidy, put the net amount (total received minus repayments made) in your return. <p>If you use the Accounting Income Method (AIM)</p> <ul style="list-style-type: none"> • If you've not already accounted for the wage subsidy or leave payment for provisional tax in a past AIM period, do so in your next AIM period.



TAX AGENT ISSUES

UPDATE AS AT 22 JULY | FOR FURTHER DETAILS PLEASE REFER TO OUR [TOP SOLUTIONS WEB PAGES](#)

	Latest Updates
All client mail service	<ul style="list-style-type: none"> We have listened to your feedback about wanting the clients name to be included in the file path export of letters from the All client mail service. From our October release the PDF file path will now contain a letter type code, period (if it exists) and the clients name. If your agency uses an automated process to file these letters, you will need to make changes in your own client management system to incorporate the new format.
Resurgence Support Payment (RSP)	<ul style="list-style-type: none"> This is a reminder that applications for the resurgence support payment are now open, and will close at 11:59pm on the 29 July 2021. To find out more refer to https://www.ird.govt.nz/covid-19/business-and-organisations/resurgence-support-payment
Use of money interest on provisional and terminal tax for 2020 year	<ul style="list-style-type: none"> This update is further to the issues regarding section 183ABAB remission. There are some customers who for their income tax 2020 are entitled to remission under a combination of sections 183ABAB and 183D. A team of staff will be completing remission cases manually for all affected customers. For customers who fall outside of these parameters (i.e. estimators, RIT over \$60,000 or late/under paid provisional tax for instalments due before 14 February 2020) there is no generic relief for UOMI on terminal tax.
Business transformation	<ul style="list-style-type: none"> We're in the final stage of our Business Transformation, with the changes planned to go live in October 2021. To help you understand what these are we've kicked off a new series of on-demand webinars: https://ird.govt.nz/bt-webinars The first webinars include an overview of the October changes for tax intermediaries, an introduction to the myIR version upgrade and a quick tour of the new navigation.
Reminder – Effective dates for credit transfers	<ul style="list-style-type: none"> We have been asked recently about effective dates used for credit transfers. For more information on the credit transfer process, please visit https://www.ird.govt.nz/roles/tax-agents/managing-financial-transfers/effective-dates-for-transfers And the IR1259 https://www.ird.govt.nz/-/media/project/ir/home/documents/forms-and-guides/ir1200---ir1299/ir1259/ir1259-2021.pdf?modified=20210222222505 which was developed earlier this year to help customers determine credit transfer effective dates.

