

Accountable News

Quote

**“A fine is a tax for doing wrong.
A tax is a fine for doing well.”**

Taxation Bill Changes

Recent changes to the Taxation (Business Tax Measures) Act 2009 include the following:

- Provisional tax uplift rates have been reduced for the 2009-10 income year. Many of you may have noticed that your May provisional tax payments were less than what we had originally advised earlier in the year due to this change.
- The threshold for charging individuals Use of Money Interest has increased from \$35,000 to \$50,000. This is effective from the 2009-10 income year.
- The threshold for paying PAYE twice monthly has increased from \$100,000 to \$500,000, however the electronic filing threshold remains at \$100,000.
- The threshold for compulsory GST registration has increased from \$40,000 to \$60,000 and you can now file six-monthly returns for turnover of up to \$500,000 per annum (previously \$250,000). The payments basis can now be used for turnover up to \$2 million, an increase from the previous \$1.3 million limit.
- The FBT minor benefits threshold has increased from \$15,000 to \$22,500 per year for an employer, and from \$200 to \$300 per quarter for an employee. The annual filing threshold has increased from \$100,000 to \$500,000 and perhaps the most useful change is that, regardless of the PAYE limits, owner-employees can now file annually when the only benefit provided is no more than two motor vehicles.
- The threshold for using the straight-line basis of accounting for financial arrangements is now \$1.85 million, up from \$1.5 million.
- The low-value trading stock threshold has increased from \$5,000 to \$10,000.
- Legal expenditure of up to \$10,000 will be fully deductible in the year incurred without having to distinguish between capital and revenue.

Hints for completing you employer monthly schedules:

- Only enter start and finish dates for the first and last instances of employment, otherwise leave the field blank. Don't insert dates for the period being returned, holidays or short absences.
- Check that the tax code matches the amount of tax being deducted. If your employee changes tax code ensure you update the monthly schedule and not just your payroll system.
- Tax codes should start with M if it is for primary employment (the main source of income). This can only be used for one source of income. Additional jobs will need to use secondary codes.
- A tax code declaration is required for each separate job and must be adhered to. Even if you think the declaration is wrong you must use it until your employee provides you with a replacement.

Please contact us if you have concerns about any of the above changes or hints.



Business Tip

Do not allow yourself to be ruled by circumstances. Accept setbacks and then move forward.



Reminder:

If you have not collected your records from the previous financial year could you please do so next time you are in our area.

We do have limited space and with all the new work coming in that space is getting smaller.

If you live out of Christchurch at your request we can arrange for them to be couriered to you.

Please contact Kate Mitchell with any issues regarding this matter.

Shopping Mall Tax Refund Booths

As you try and escape the sharp winter air by taking to the shops in your closest mall you may come across one of the conveniently placed booths promising you a tax refund. These booths may seem a quick and easy way to get that refund you desire, however, we would like to strongly warn you against talking to them. The moment you ask them to do something for you, you will be taken off

our agency list. This means you lose out on our expertise, support and experience. We are concerned that over the past week we have had to act quickly in order to get two of our clients back on our tax agent's list. Both were surprised that by visiting one of these booths they were unknowingly cutting off our services. We do not want others to make the same mistakes.

If you think you are due a tax refund this year and want it sooner rather than later the best thing you can do is to get your accounts straight into us. This way we can ensure your tax return is filed correctly, taking all factors into account. Not to mention you will also receive the full amount of your deserved refund without us taking a cut!

Accounting Fees

We are now starting to get settled into the new financial year and many of you are already keeping us busy with your records steadily flowing in.

We are excited about this year as we look to raise our efficiency and overall productivity in order to give you the best possible service.

We are also pleased to announce that despite these

tough economical times the rates of our accountants will all be staying the same this year. This means you should not see an increase in your annual fees unless there are special circumstances.

However, there are some areas of our billing procedure that we are looking to improve and we will be informing you all of any changes in the near future.

In the meantime Best of Luck to you all for the new financial year and keep those records coming into us!

Success Story

From time to time we like to share success stories with you. The following is about a client Kerry helped to apply for a bank loan.

A new business recently applied for a start up loan from the National Bank. These clients had prepared the cashflow forecast as requested and the proposal

was looking reasonably successful. However the bank was still hesitant about approving the loan until we mentioned our TriTec service. The manager recognised that we would be looking over the shoulder of the owners and approved the loan with no further hesitation. In fact

because of TriTec he offered a higher loan than being sought. The manager commented "... it is good to see accountants taking an involvement in businesses and providing such a valuable service ...". If you too want the value of this service call us today!