



Accounting CONCEPTS LTD

FOR ALL YOUR
ACCOUNTING NEEDS

Welcome to the seventh issue of our quarterly newsletter.

We hope to keep you informed of things happening at Accounting Concepts, key tax dates, business news and more.

News in Brief:

Welcome Back

2020 is well underway, we hope you all enjoyed some rest and recreation over the summer period.

No more cheques!

REMINDER: ACC and IRD will no longer be accepting payment via cheque from March 2020. See Newsletter 6 for more information.

Xero fees

REMINDER: From 18th March 2020 Xero pricing for the Standard and the Premium plans is going up by \$2 per month.

Accounting Concepts Ltd can cater for all your accounting needs:

- GST Returns
- Income Tax Returns
- Company Formation
- Farming, Business, Commercial and Rental Accounting.

Like us on Facebook @AccountingConceptsLtd11TheCrescent

OFFICE HOURS

The office is open: Monday to Thursday
9am – 4pm



"Do I claim the cost of my ulcer as a medical or a business expense?"

CONTACT DETAILS

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GST – The Basics

GST is a 15% tax added to the price of most goods and services, including imports. Some things such as rent of the house or flat you live in, airfares for overseas travel and your mortgage payments do NOT have GST added to the price. As of 1st December 2019 GST has also been added to goods you purchase from an overseas supplier valued at or below NZ\$1000. When you start a business you have the option of registering for GST (you must register if you are an entity and carry out a taxable activity and your turnover is at least \$60,000 or you add GST to the price of the goods or services you sell).

Tax invoices for GST – GST registered customers should issue tax invoices for taxable supplies. You must get a tax invoice to claim GST on goods or services costing over \$50 which you buy as part of your taxable activity. You need to keep these invoices for your GST records.

A tax invoice must show:

- The words “Tax Invoice”
- Name or trade name and GST number of Seller
- Date of issue
- Description of goods or services

Tax invoices for \$1000 or less must **also** show: total amount payable and a statement that the total amount payable includes GST. Tax invoices for more than \$1000 must **also** show: name and address of Buyer, quantity or volume of the goods or services. Visit www.ird.govt.nz/gst for more info.

New rules for reporting income tax on rental properties

(taken from ird.govt.nz) From the 2019-20 income year onward, new rules apply to deductions claimed for residential properties. Residential property deductions will now be ring-fenced, meaning that they can only be used to offset income from residential property.

This means that the residential property deductions you claim for the year cannot exceed the amount of income you earn from the property for the year. Any excess deductions must be carried forward from year to year until they can be used.

You **cannot** use excess deductions from your residential property to reduce your other income, such as salary and wages or business income, which would result in a reduced tax liability.

If you have more than one property, you can choose to apply these rules on a **portfolio basis** or on a **property-by-property basis**.

KEY TAX DATES:

Date	Category	Description
7 February 2020	2019 Terminal tax	For taxpayers without extensions of time
20 February 2020	PAYE/ Employer Deductions	Small employers return and payment
28 February 2020	GST	Return and payment for December/January
28 February 2020	Provisional Tax	Payment due for May End of Year Balance Dates
20 March 2020	PAYE/Employer Deductions	Small employers return and payment
7 April 2020	2019 Terminal Tax	For clients with extension of time
20 April 2020	PAYE/Employer Deductions	Small employers return and payment
28 April 2020	GST	Return and payment for February/March

Reminder: PAYE is still due on the 20th of the month, Payday filing happens every payday.

How do they get these answers? Can you figure it out?

$$8 + 2 = 16106$$

$$5 + 4 = 2091$$

$$9 + 6 = 54153$$

$$7 + 5 = 35122$$

$$20 + 3 = 602317$$

$$30 + 1 = 303129$$

$$18 + 4 = 722214$$

$$10 + 5 = 50155$$

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