

BUSINESS SERVICES TAILORED TO **YOUR** NEEDS

Newsletter May 2014

Welcome to the first edition of the Blackburne Group newsletter for 2014

We know that you don't have enough hours in a day to get everything done - so we'll keep this short.

We have included notes and comments that may be relevant to your business and some general comments.

As always, we welcome your feedback.

THE IRD!!

Do you owe them money?

The IRD are chasing non-payment of tax particularly income tax, GST and PAYE.

The IRD is responsible for recovering the maximum amount of debt in the most efficient manner. They must also ensure any debt recovery does not place a person in serious hardship. The IRD are becoming aggressive about debt collection.

In some circumstances the IRD can write tax debt off but this will only be in cases of serious hardship. Such a case is when any demand for payment would effectively bankrupt a taxpayer. However, recent amendments will now allow IRD to bankrupt taxpayers particularly in situations where the taxpayer has taken excessive drawings or lived an extravagant lifestyle.

There have been a number of recent tax cases where taxpayers have been prosecuted for non-payment of PAYE and GST. If you are an employer the PAYE you deduct on behalf of your employees is held on trust for those employees and is required to be paid to the IRD. The IRD take a very dim view of the non-payment of PAYE.

If you have tax arrears that you are having difficulty repaying please contact us so that we can discuss the various options available to you. If you don't currently have a repayment plan in place for your IRD debt, you will continue to be charged penalties, so prompt action will save you money.

UNPAID TAX IS A BOMB WAITING TO GO OFF!

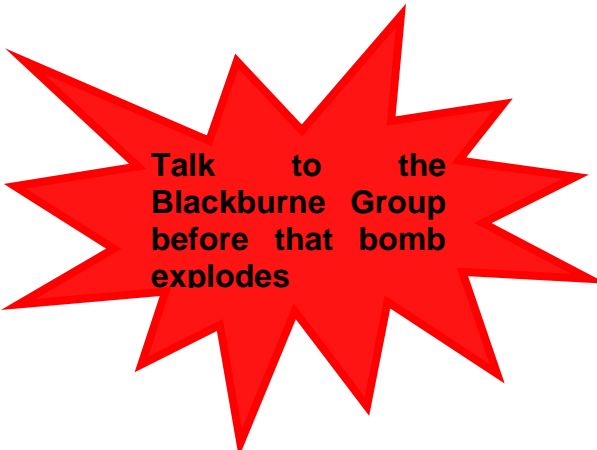
The Budget has increased funding to IRD for collection of outstanding tax and returns.

PAYMENTS BY CHEQUE

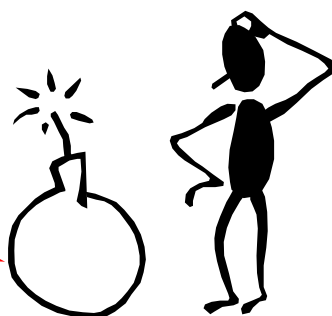
We had a notice from the IRD last week, that from the 1st of October 2014 any cheques you send must be **received** by the due date otherwise you might incur penalties. This is a change from their previous policy which was that the postmark stamp date was the payment date.

This is part of their process to encourage internet banking.

Watch this space for any other developments.



Talk to the
Blackburne Group
before that bomb
explodes



ACCOUNTING SYSTEMS IN THE CLOUDS

Computer-based accounting systems are just like any other tool...you have to know how to use them get the job done.

Accounting package suppliers are offering cloud solutions in all flavours. If you would like to look at the options for your business then please contact us for a chat, **before** you make up your mind.

Here are 3 initial questions to think about.

1. **How good is your internet connection speed?**
2. **Do you have the time to do this extra work?**
3. **Is your time better spent bookkeeping or on your business?**

If you like the look of the options available we can assist in providing you with a chart of accounts best suited to your business. We are focussed on providing assistance to give you the best possible experience, no matter what your preference.

NZ TAX RESIDENT BEWARE

Are you a New Zealand resident and looking at heading overseas indefinitely? If you are, you need to consider the implications on your tax residency status.

The **Worldwide Income of a New Zealand resident is subject to New Zealand tax laws.**

You are a New Zealand Resident if:

- You are in New Zealand for more than 183 days in any 12-month period: or
- You have an enduring "relationship" with New Zealand: or
- You are away from New Zealand in the service of the New Zealand Government.

Call us today if you are considering heading overseas indefinitely to find out what this means for you.

WORKING FOR FAMILIES

The minimum family tax credit threshold increased on 1 April 2014 from an after tax income of \$22,724 to \$22,776

ACC

	Work Account Average Levy (per \$100 of liable earnings ex GST)	Earners Account Levy (per \$100 of liable earnings ex GST)	Workers and Employers will pay \$387 million less in ACC Levies in 2014/15. The savings affect the Earners Account (paid by the workers) and the Work Account (paid by the employers)
2014/15	\$0.95	\$1.26	The Health and Safety in Employment Levy is changing to a flat rate of \$0.08 per \$100 of liable earnings.
2013/14	\$1.15	\$1.48	Motor Vehicle Account Levies, incorporated into car registration and petrol prices will remain the same.

