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NEWSLETTER

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Welcome to the twenty-third edition of our newsletter and the first for 2018.

I would like to take this opportunity and thank all existing and new clients for your continued support throughout this, our ninth year in business. Your custom is greatly appreciated.

Hello/Kia Ora Clients & Readers of our first 2018 newsletter

A Warm welcome to clients for the 2018/2019 financial year. This financial year is nearly completed. This financial year, 31 March falls over Easter. For those clients who have to do a stock take this month, try to do it on Saturday 31st. Now if you are going to be away over this period, you can either do a stock take just before Easter or just after Easter. Please contact me if you have any questions. For those clients with stock value under \$10,000, IRD allows you to use an approximate value as last year or use a reasonable estimate

Staff Changes

Stella and Sylvia both left the firm in February & March respectively to pursue their own work/business careers. I thank them again for their efforts and service to clients, and wish them both well in their future endeavors.

We welcome Iona Parlato to our office who will be doing administration functions, reception, payroll, financial accounts, income tax returns, GST returns and all other accounting work. She previously worked at IRD in Palmerston North. She is currently completing a business course at Te Wananga o Aotearoa.

We also welcome Skye Mudgway to our office who starts after Easter. Skye is going to be working part time in the office—4 days a week. She will be completing financial accounts, income tax returns, GST returns, and all other accounting work. She is currently completing a bachelor degree in applied management, majoring in accounting at UCOL Palmerston North.

Darren Parlato



FINANCIAL YEAR END 31 MARCH 2018

The 31 March 2018 year is upon us and you would have received your 2018 year end questionnaires. With this newsletter.

Can you please complete where applicable, sign and bring the questionnaire in with your accounting records.

We are required to have an up to date authority on file and they do help us complete your financial accounts and income tax returns more efficiently.

Tax donation/school fee rebates—Please bring in receipts for these donations as you can claim a 33% rebate.

WANTING OR THINKING TO BUY AN EXISTING BUSINESS

If yes, then there are a number of key factors to look into. Such as:

- The asking price—what are you actually buying—stock, plant, goodwill.
- Current, Future and Previous financial performance of the business.
- Why are the owners selling? Could be a number of reasons
- Financial due diligence
- Forming a new business structure to purchase the business

Please contact our office if you consider purchasing an existing business, we can help with financial & tax advice, budgets, and all other steps in the buying process.

2018 3RD PROVISIONAL TAX NOTICES

For those clients with provisional tax to pay, the 3rd instalment for the year ending 31 March 2018 payment is due by 7 May 2018. The 3rd provisional tax notices will be sent out in early April.

STARTING A NEW BUSINESS

This is an exciting time in one's life, where you decide to give up the day job and become self-employed and become your own boss. So if you have a business idea, please come and talk to us first. We can help with;

- Choosing the right business structure
- Help with forming a new company
- IRD—obtaining income tax & GST numbers
- GST registration and employer registration
- Tax advice and planning
- Accounting software needs—MYOB, BankLink, Xero or other.



BEAWARE—IRD MIGHT COME CALLING

I have heard from other accountants in Palmerston North, that IRD compliance officers have been randomly turning up at client's workplaces asking about employer PAYE records and talking to the owner regarding any outstanding IRD debt or filing late returns. If this happens to you, please contact me.

OFFICE HOURS

8.30am—5.00pm





There are some email scams going around at the moment claiming that there are tax refunds due from IRD— please delete these emails and do not reply. IRD does not send out these types of emails. Our office will tell you if you have a tax refund due.

IRD Online Payments

When making a payment to IRD through online banking please ensure that you:

- Enter the correct IRD number
- Tax Type—INC, GST, PAYE
- Period end date—For GST the last day & month of the period (e.g 31/03/18)

INDEPENDENT EARNERS TAX CREDIT

The IETC will be retained as it is now, and will continue to benefit eligible individuals earning between \$24,000 and \$48,000 by up to \$520 a year.

MINIMUM WAGE INCREASE

The Government has lifted the minimum wage from \$15.75 to \$16.50 an hour from the 1 April 2018.

The starting out and training minimum wages would also increase from \$12.60 to \$13.20 an hour, which is an 80 per cent of the adult minimum wage.

Please ensure your payroll system is updated accordingly. If you require assistance, please do not hesitate to contact us.



NATIONAL STANDARD COSTS FOR LIVESTOCK 2018

The IRD has just released National Standard Costs for Livestock. This is the cost of rearing/raising an animal.

A quick summary:

- Lamb \$34.60
- Bobby Calf \$186
- Rising 1 year dairy heifer \$437.30
- Rising 1 year beef steer/heifer \$362.50
- Goat \$28.30
- Deer \$95.30
- Weaner Pig \$103.90



NEW ACC RATES

The ACC Levies have been set by regulation for the 2018/2019 tax year.

The earners levy is set at \$1.21 (GST inclusive) per \$100 liable earnings.

The maximum liable earnings has remained the same at \$124,053.

INCOME TAX RATES 2018/2019

Individual Income	Tax Rates
\$0 - \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30%
\$70,001 and over	33%

Companies—Any Profit left in the company the 2018/2019 year will be taxed at 28%, per last year

Trusts—The tax rate on trustee income remains the same as in previous years, at 33%

Maori Authorities—Maori Authorities rate 17.5% for the 2018/2019 year.

SECONDARY TAX RATES/CODES

If a person has more than one source of income—they must use a secondary tax code. Their main source should be M and for the secondary job there is four codes to choose from depending on what you expect your total annual income to be.

Income	Tax Code	Tax Rate
\$0—\$14,000	SB	10.5%
\$14,001—\$48,000	S	17.5%
\$48,001—\$70,000	SH	30%
\$70,001 and over	ST	33%

Disclaimer

This newsletter has been carefully prepared but has been written in general terms only and therefore should not be relied upon to provide specific information without also obtaining professional advice of each particular situation.

WORKING FOR FAMILIES TAX CREDITS

Budget 2017 made changes to Working for Families tax credits. These changes are being repealed and replaced with higher rates and a higher abatement threshold, effective 1 July 2018.

	Current	1 July 2018
Eldest Child, 16-18	\$5,303	\$5,878
Eldest child, 0-15	\$4,822	\$5,878
Subsequent child 16-18	\$4,745	\$4,745
Subsequent child, 13-15	\$3,822	\$4,745
Subsequent child, 0-12	\$3,351	\$4,745
WFF abatement rate	22.5%	25%
WFF abatement threshold	\$36,350	\$42,700

2018 END OF YEAR WRAP UP

Tidying up your fixed asset register: This should be reviewed for accuracy, with business assets which are no longer used (and not intended to be used in future by the business) written off before year end.

KEEPING RECORDS FOR TAX RETURNS

You need to keep records for at least seven years. Your records can be kept electronically but they must be backed up! For any expenses \$50 and over, you must have a tax invoice.