



**Chartered Accountants**  
7 Avenue Road, Foxton, 4814  
Ph. 06 363 5762  
Mob. 027 229 9069  
[www.parlato.co.nz](http://www.parlato.co.nz)



## Welcome to the thirtieth edition of our newsletter and the first for 2024.

I would like to take this opportunity and thank all clients for your continued support throughout

Tēnā koe/Hello Clients & Readers of our first 2024 newsletter

As we come to the end of the 31 March 2024 financial year and the start of the new financial year from 1 April, for many businesses—the NZ economy is reasonable tough going. We have high interest rates, cost of living and rising business costs, labor/wage rates increasing, our overseas commodity markets, such as China still have relatively weak demand. So this does create some challenges for businesses. With that we have a new Coalition government in place making a lot of new policy and tax changes, such as:

- Removal of commercial building depreciation from 1 April 2024
- Trustee tax rate of 39% from 1 April 2024, exemption if net trustee income is below \$10,000
- 80% interest deductibility on residential rental loans from 1 April 2024–31 March 2025
- 100% interest deductibility on residential rental loans from 1 April 2025
- Proposed changes to income tax brackets from 1 July 2024
- Bright line test would be brought back to 2 years from 1 July 2024 for all properties—New builds will not be exempt from the 2 year bright line
- There will be plenty of other changes as the year progresses. Keep up to date by engaging with your industry body, reading the news, and talking to us and your other advisers as policies develop.



Please contact me advice or arrange a meeting to discuss your business situation. As we can re-estimate your 2025 provisional tax payments to IRD.

Prepare for 31 March 2024—things to do for your business:

- Make sure your Bank reconciliation on Xero/MYOB or spreadsheet agrees with your actual bank statement at 31 March 2024
- Review Accounts receivable/debtors ledger and write off any bad debts
- Stock take. All business's that carry/hold stock should do an annual stock take. Write off any obsolete or damaged stock
- Account payables. Ensure your accounts payable ledger agrees with your supplier statements at 31 March 2024
- Review your fixed asset register note any assets sold or written off and any new additions over \$1,000.

By now you should have received our annual end of year questionnaire checklist. If you could please sign and complete the relevant sections and bring this in or email it to us with your end of year financials records. By completing this form, it helps us to complete your annual financial accounts faster/more accurately and therefore saves us time and you money.

**Tax Donations/School Fee Rebates**—Please bring in the receipts for these, as you can claim a 33% rebate.

### 7th May Provisional Tax—Last instalment for 2023/2024 year

For those clients who get their provisional notice in mid April—please contact me if you think the amount needs to not be paid, reduced or if you cannot pay it.

### 2 monthly GST—Feb/Mar 2024 & 6 monthly GST—Oct/Mar

Again this payment (if any) is due by 7th May 2024 to IRD. Please contact me if you think the business may not be able to pay the GST before the due date.

Thank you again,  
Darren Parlato

#### OFFICE HOURS

8.30am—4.30pm Monday to Thursday  
8.30am—2.00pm Friday



#### 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 particulars situation.



# Parlato & Associates Ltd

## GOODS AND SERVICES TAX ON LISTED SERVICES

From 1 April 2024, online marketplace operators (also known as digital platform operators) will need to collect GST on all listed services provided through their online marketplace.

### What are listed services?

Listed services are:

- ride sharing and ride hailing
- food and beverage delivery.
- short stay and visitor accommodation.

## NEW BUILD EXEMPTIONS

The exemption will apply to the initial owners and any subsequent owners for 20 years from the date of the CCC (Code of compliance)

A new build is a self-contained residence that is added to land, with a CCC issued on or after 27 March 2020.

Income year	Percent of interest you can claim
1 April 2023–31 March 2024	50%
1 April 2024–31 March 2025	80%
From 1 April 2025 onwards	100%

## MINIMUM WAGE INCREASE

The Government has lifted the minimum wage from \$22.70 to \$23.15 per hour from 1 April 2024.

The starting out and training minimum wages would also increase from \$18.16 to \$18.52 per hour, which is 80% of the adult minimum wage.

## ACC Earners' Levy rate increase

The ACC earner levy rate will increase from \$1.53 to \$1.60 for every \$100 of liable earnings from 1 April 2024.

## STUDENT LOAN THRESHOLD CHANGES

The student loan repayment threshold has increased to \$464 per week for the 2024/25 tax year, and is effective from 1 April 2024.

## PROPOSED INCOME TAX RATES 2024/2025

Individual Income	Tax Rates	
\$0–\$15,600	10.5%	<b>Companies</b> —Any Profit left in the company for the 2024/2025 year will be taxed at 28%, per last year
\$15,601–\$53,500	17.5%	
\$53,501–\$78,100	30%	<b>Trusts</b> —The tax rate on trustee income remains the same as in previous years, at 39%
\$78,101–\$180,000	33%	
\$180,001—and over	39%	

Example of tax saving for someone earning \$65,000 a year or \$1250 gross per week equals to a tax saving of \$650 per year or \$12.50 per week.

## HOW TO DEAL WITH ECONOMIC UNCERTAINTY

With political changes and an economic slowdown to contend with, we're in pretty unpredictable waters. Here are some tips on managing your team in times of uncertainty:

### Support staff well-being

Talk to staff about wellbeing regularly and openly. Let your team know it's okay to feel stress or anxiety.

### Put wellbeing practises in place

Ask your team what could help their wellbeing and balance. Consider team activities, on-the-job skill sharing and learning, and charity events

### Be clear about cost-cutting

Change on the cards? Communicate openly and frequently, using information that is easy to understand, relevant, and factual.

## Provisional Tax—How this works

You pay provisional tax if your residual income tax for the last tax year is more than \$5,000. RIT is the tax to pay on your income, less PAYE you've paid and other tax credits you're entitled to (except WFF)

Example:

Untaxed 2022/2023 tax year income—\$35,000

Tax on this income is calculated as follows:

income up to \$14,000 @ 10.5%	\$1,470
income \$14,000–\$48,000 @ 17.5%	\$3,675

**Total 2022/2023 tax year RIT \$5,145**

Because the RIT of \$5,145 is more than \$5,000, provisional tax is due in the following income year.

## IRD Use of money interest (UOMI) rate change

From 9 May 2023 the UOMI rates on underpayments and overpayments of tax have changed.

The new rates:

- Underpayments—10.91% (up from 10.39%)
- Overpayments—4.67% (up from 3.53%)

## EASTER SUNDAY

Easter Sunday is not a public holiday. If you open, you can pay your staff their normal wage. They are not owed an alternative paid holiday.

If you are a shop owner, you may be able to open on Easter Sunday. But you can't make your employees work that day—and they don't have to give you a reason.

You must give your employees written notice of their right to refuse to work at least four weeks in advance but not earlier than eight weeks before.

### If an employee works on a public holiday

- They must get paid at least time and a half
- If the public holiday falls on what is a normal working day for them, they must also get a paid day off at a later date