

## DONATIONS for Individuals

To claim your refund send a completed Tax Credit Claim Form (IR526) & all receipts to Inland Revenue. If required, send your income tax return at the same time. The total donations you claim cannot exceed your taxable income. The IR526 claim form can be obtained from Inland Revenue's web page under "forms and guides".

**Donations** must be to approved organisations and be an unconditional gift. Individuals can claim either 33.33% of the total donations made, or 33.33% of their taxable income, whichever is less. You can't claim for payroll giving donations you made through your salary and wages as you received the tax credits at the time of your donation.

**If Sawden tax & accounting is your tax agent - send us your receipts and we will prepare your IR526 for you.**

## DONATIONS for Companies

All donations to approved organisations are a tax deductible expense, to the extent that the donations do not exceed the company's taxable income for that year.

## SALARIES & WAGES

PAYE employees must complete a tax code declaration form. If an employee fails to complete a declaration, PAYE must be deducted at the no-notification rate. The tax code determines the amount of PAYE deducted. Employers must file an employer schedule with Inland Revenue detailing each worker's gross earnings and deductions. Employers with gross annual PAYE and ESCT of \$50,000 or more must file this schedule electronically with Inland Revenue.

| DUE DATE FOR FILING EMPLOYER SCHEDULES: |   |
|---|---|
| Filing method                           | Filing requirement  |
| Electron                                | within 2 working days of each payday  |
| Paper                                   | within 10 working days of each payday<br>OR                                   |
| Paper                                   | within 10 working days of 15th of month if paid between 1st and 15th of month |
| Paper                                   | within 10 working day of end of month if paid between 16th and end of month   |

| DUE DATE FOR PAYMENT OF PAYE: |                         |                 |
|-------------------------------|-------------------------|-----------------|
| Employer                      | Wages/Salaries paid     | Due dates       |
| Small                         | 1st-month end           | 20th next month |
| Large                         | 1st-15th                | 20th same month |
| Large                         | 16st-month end          | 5th next month  |
| Large                         | December 16th-month end | 15th January    |

Large Employer ≡ gross annual PAYE deductions and Employer's superannuation tax (ESCT) is > \$500,000 in prior year

## GOODS & SERVICES TAX

GST registration is optional but compulsory if your annual turnover/sales exceeds \$60,000. GST is 15% on taxable supplies. You must choose a method and a period to account for GST

### There are three methods to account for GST

Invoice basis      Payments basis\*      Hybrid basis\*  
\*To use these methods you must meet certain criteria.

### There are three GST taxable periods\*\*

Monthly      Two-monthly      Six-monthly  
\*\*The taxable period adopted also depends on turnover.

GST is due on 28th of the month following the end of your GST return period (eg GST for the period ended 31 July is due 28 August) except for the 28 December payment which is due 15 January and the 28 April payment which is due 7 May.

To calculate the GST component on the GST exclusive amount multiply by 0.15 (\$100.00 excl GST X 0.15 = \$15 GST)

To calculate the GST component on the GST inclusive amount multiply by 3/23 (\$115.00 incl GST x 3/23 = \$15 GST).

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# Tax Facts

## 2023/24

1 April 2023 - 31 March 2024



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1 April 2023 to March 2024

## INDIVIDUAL INCOME TAX RATES

Income tax & ACC earners' levy is deducted from your salary or wages under the Pay As You Earn (PAYE) system.

| Income Bands                                     | Income Tax | PAYE*  |
|--|------------|--------|
| \$0 - \$14,000                                   | 10.50%     | 12.03% |
| \$14,001 - \$48,000                              | 17.50%     | 19.03% |
| \$48,001 - \$70,000                              | 30.00%     | 31.53% |
| \$70,001 - \$139,384***<br>(ACC Max Earnings)*** | 33.00%     | 34.53% |
| \$139,385 - \$180,000                            | 33.00%     | 33.00% |
| >\$180,000                                       | 39.00%     | 39.00% |

\*For "M" Tax Code Only

## ACC EARNERS' LEVY for salary & wage earners deducted from salary & wages up to maximum earnings.

|  |            |
|--|------------|
| Rate per \$100 of liable earnings (incl GST) | \$1.53     |
| Employees - ACC Maximum Earnings***          | \$139,384  |
| Employees - Maximum Levy Payable             | \$2,132.57 |

## TRUST INCOME TAX RATES

|                     |                             |                    |
|---------------------|-----------------------------|--------------------|
| Trustee Income:     | Ordinary Trust              | 33%                |
| Beneficiary Income: | Ordinary Beneficiary        | Marginal Tax Rates |
|                     | Non-complying/Foreign Trust | Up to 45%          |
|                     | Minor Beneficiary           | 33%                |

## COMPANY INCOME TAX RATES

|                               |     |
|-------------------------------|-----|
| Companies pay a flat tax rate | 28% |
|-------------------------------|-----|

## PENALTIES CHARGED BY INLAND REVENUE

|   |                       |
|---|-----------------------|
| Late Filing Penalty - Depends on net income/GST basis | \$50 to \$500         |
| Late Payment Penalty - if not paid by the due date    | 1% - 5% of unpaid tax |
| Tax Return Errors - Depends on seriousness of error   | 20% - 150% of error   |



## INCOME TAX

When your tax return is sent to Inland Revenue you will receive an assessment. If taxes deducted directly from your wages, dividends etc are not enough to pay your tax liability then a final tax payment is required (Terminal Tax). If your tax less any tax paid during the year (excluding provisional tax) is over a certain amount you may have to pay Provisional Tax during the year. Provisional tax payments are usually based on prior year's income unless you elect to be on the Ratio Method or estimate your liability. A Terminal Tax payment is required to clear any remaining liability if your tax payments were not enough. A refund will result if tax paid is greater than your tax liability.

## PROVISIONAL TAX DUE DATES\*

Provisional tax is aligned with GST due dates. For March balance date taxpayers provisional tax is due:

| Provisional Tax Instalments | P1          | P2     | P3     |       |
|-----------------------------|-------------|--------|--------|-------|
| Not GST registered          | 28 Aug      | 15 Jan | 7 May  |       |
| GST Registered - Monthly    | 28 Aug      | 15 Jan | 7 May  |       |
|                             | - 2 Monthly | 28 Aug | 15 Jan | 7 May |
|                             | - 6 Monthly | 28 Oct | 7 May  | n/a   |

If the ratio method is elected provisional tax is paid in six instalments at the time GST is paid based on a percentage of your GST taxable income.

| Provisional Tax Instalments - Ratio Method            |        |        |        |        |       |
|---|--------|--------|--------|--------|-------|
| GST Registered - Monthly & 2 Monthly (six payments)   |        |        |        |        |       |
| 28 June   | 28 Aug | 28 Oct | 15 Jan | 28 Feb | 7 May |
| GST Registered - 6 Monthly - Ratio Method unavailable |        |        |        |        |       |

## INCOME TAX RETURN & TERMINAL TAX DUE DATES\*

The due date for filing your 2024 income tax return and payment of 2024 terminal tax is as follows:

| Due Dates           | Tax Return    | Terminal Tax |
|---------------------|---------------|--------------|
| Sawden as Tax Agent | 31 March 2025 | 7 April 2025 |
| No Tax Agent        | 7 July 2024   | 7 Feb 2025   |

\* Due dates may differ for non-March balance dates.

## INTEREST RWT interest resident withholding tax rates

| Tax rate chosen and valid IRD number supplied (From 1 April 2021): |  |
|--|--|
| Individual   | 10.5%, 17.5%, 30%, 33% or 39%              |
| Trustees (incl Company trustees) +                                 | 17.5%, 30%, 33% or 39%                     |
| Company  | 28%, 33% or 39%                            |
| Partnerships   | Partners can choose any partner's RWT rate |
| Valid RWT certificate of exemption                                 | 0.0%                                       |
| Tax rate not chosen but valid IRD number supplied:                 |  |
| Individual/Trustee:  | 33.0%                                      |
| Company  | 28.0%                                      |
| IRD No. not supplied or Invalid IRD No. given                      | 45.0%                                      |

## PIE INVESTMENTS\* working out your PIE rate Tax is deducted at an appropriate prescribed investor rate (PIR).

| NZ tax resident individuals:   |     |                             | PIR Rate                        |
|--|-----|-----------------------------|---------------------------------|
| Taxable Income   | and | Taxable Income + PIE Income |                                 |
| \$0 - \$14,000**   | and | \$0 - \$48,000**            | 10.5%                           |
| \$0 - \$48,000**   | and | \$0 - \$70,000**            | 17.5%                           |
| If you do not qualify for 10.5% or 17.5% rate                            |     |                             | 28.0%                           |
| Other Entities:  |     |                             | PIR Rate                        |
| PIR and/or IRD No. not supplied  |     |                             | 28.0%                           |
| NZ tax resident company/Charitable Trust/Incorporated Society            |     |                             | 0.0%                            |
| Partnership split investment/use individual IRD No & PIR unless same PIR |     |                             |                                 |
| Non-NZ tax resident#   |     |                             | Varying rates apply             |
| Trustees+  |     |                             | Can choose 0.0%, 17.5% or 28.0% |

\* PIR rates are for multi-rate PIE's. Rates are supplied by investor.  
\*\* Use PIR Rate if both income levels are true for either of the two income tax years immediately before current tax year. If for the two previous income tax years you qualify for two rates your PIR rate is the lowest rate.

# Normally 28%. May invest in Foreign investment PIE's. Rate depends on the type of PIE and status of investor.

+ Testamentary ("will") Trusts can also choose 10.5%.

