

IRD System Changes

In early February the IRD computer system for processing GST changed. We have experienced a few teething issues with the new system that has resulted in some clients receiving delinking and relinking letters. There have been a number of processing issues that the IRD are working through as well, with correspondence being sent automatically before they have corrected the issues. The IRD are working to resolve this matter but if you have any concerns please contact your McCulloch + Partners advisor.



From 7 February 2017 there is a requirement that all GST refunds have to be paid directly into bank accounts.

Tax Pooling

To help with the management of your tax payments, McCulloch + Partners can organise for your tax to be paid via a tax pooling intermediary. The funds for all of these entities are held in trust for your security and managed by respected entities.

Income tax can be purchased for past periods up until 63 days after terminal tax is due, or after any tax type, after a tax reassessment is issued. A tax purchase can reduce the interest payable and can eliminate the IRD late payment penalties in most circumstances. Once the amount required is known a quote can be obtained and this will give a settlement amount and date due, with the tax being transferred to your account once the settlement has been processed. The interest component of your payment is deductible for tax. The interest saving can be up to 30%.

Tax finance can be used for future income tax. There are no credit checks and security required. Once the amount is quoted, there will be the interest component that is due on the application, and then the repayment schedule will be as per the quote, this can be up to 21 months. The money is held in Trust in the tax pool account at the IRD, once the settlement is complete, the tax amount is transferred to your tax account.

Tax deposits can be made where instead of the tax being paid to the IRD it goes into the tax pool. Once your tax liability is known, the appropriate amount of the tax is transferred to your IRD account and any remaining can be sold at a higher interest rate.

In all circumstances if you have any queries please contact your usual McCulloch + Partners advisor.

Reminder, if you are likely to be unable to pay your taxes on time, the earlier you can advise your McCulloch + Partners advisor, the more options there are reduce the interest and penalties that the IRD will charge.