

## Important message for Businesses

### **Tax matters: what businesses need to know**

Inland Revenue will write-off any penalties and interest for businesses unable to pay taxes on time due to the impact of COVID-19. Don't worry about contacting us right now. Get in touch with us when you can.

We're working hard to provide essential services for business and individual customers during this stressful and difficult time. Payments, including Working for Families customers, will still be made.

To help get correct payments to people we would like employers to still file their returns as normal. This helps us work out the right amounts for people and helps the Government continue to respond to what is happening in the economy.

### **Contacting IR**

During the lockdown IR's phone services will be severely limited and the most effective way to contact us will be online and through myIR. Within Inland Revenue, all front office services are now closed and almost all of our staff are working from home. Inland Revenue is still working on all critical matters related to tax entitlements and payment obligations. We know these are matters causing real stress and uncertainty and we are working urgently to provide as much certainty as quickly as we can.

Please use our online services to contact us – preferably through your myIR account. We have information on our website [www.ird.govt.nz/covid-19](http://www.ird.govt.nz/covid-19)

The Ministry of Social Development (MSD) is the government organisation responsible for the administration of the wage subsidy. Any questions relating to how and when it is administered should be referred to MSD. There is more detail at [www.workandincome.govt.nz/covid19support](http://www.workandincome.govt.nz/covid19support)

### **Wage subsidies**

Inland Revenue has some tax-related guidance for employers about the wage subsidies. It is important employers pass on the wage subsidies to workers and process them as part of the employee's normal wages.

All deductions (such as PAYE, KiwiSaver and child support) should be made as normal. If the total wage (the subsidy plus the employer funded pay) amounts to the same wages as previously, the pay and deductions on their payslip should be the same.

Employers won't be liable for income tax or GST on the subsidy received from MSD and will not be entitled to an income tax deduction for wages paid out of the wage subsidy.

## **Payment options**

As we've already said, if a business is unable to pay its taxes on time due to the impact of COVID-19, we will understand. Get in touch with us when you can and we'll write-off any penalties and interest.

But if a business can pay there are several options - internet banking or using myIR are the easiest. Businesses can also make credit card or debit card payments over the phone or set up direct debit payments through their myIR account. For further details on alternative ways to pay your tax see: <https://www.ird.govt.nz/managing-my-tax/make-a-payment/ways-of-paying>

Only some Westpac branches will be open one day a week, on a Wednesday, during the COVID-19 lockdown. Customers who can pay their tax bill at their local Westpac branch will be unable to do so until they can visit a branch on it's open day. For more information on Westpac's new branch opening hours please visit: <https://www.westpac.co.nz/who-we-are/covid-19/branches-and-atms/>

## **Instalment arrangements**

We're enabling more flexibility and lowering the threshold for instalment arrangements set up in myIR.

The new minimum repayment rates are: - Weekly \$20 (previously \$50). - Fortnightly \$40 (previously \$100) - Monthly \$80 (previously \$200).

## **Compliance activity**

At Inland Revenue, we recognise this is a concerning time for tax agents and customers and we want to support you wherever we can through any current audits or disputes. We know you're under a lot of pressure and uncertainty currently, and we want to work with you on a case by case basis.

This may be by delaying the progress of an audit or dispute for a period.

## **Extension of time**

Inland Revenue has decided to extend the timeframe for filing Basic Compliance Packages (BCPs). The new due date is 30 June 2020. Please forward any questions about this to [bcp@ird.govt.nz](mailto:bcp@ird.govt.nz)

## **Information sharing**

In these extraordinary circumstances, Inland Revenue is now required to operate very differently. IR holds a lot of information that may enable other government agencies to reach those who need assistance the most and the Government has recently passed legislation allowing us to share certain information.

We are putting in place safeguards to ensure any information we share is kept safe. We will share only enough information so other agencies can provide the relevant relief and assistance. Any information received by the other agency will not be able to be used for other initiatives outside of COVID-19.

## **Thank you**

We're working hard to provide businesses and tax agents with as much certainty as we can, as quickly as we can. Thank you for your patience in what is a difficult time for all New Zealanders.