

Making tax time easier



Inland Revenue
Te Tari Taake

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It's common for small businesses to put off filing tax returns to Inland Revenue (IR), resulting in a last-minute scramble. Avoid stress by following these simple tips on how to prepare for tax time. Keeping good records — either digital, on paper or in the cloud — is key.

Starting out

- Attend a free IR seminar.
- Register for **myIR**.
- Understand business tax basics with IR's **Smart business guide (IR320)**.
- Keep good records — it's a legal duty and helps you see the financial health of your business.
- Consider using expert advice to get set up correctly.
- Tell IR if another person looks after your tax tasks, eg a tax agent. They'll need access to your **myIR** for filing.



TIP: DO NOT think your first year in business is tax-free — you'll pay it in a lump sum after filing your first return. IR might tell you to pay provisional tax too.

GST

- Check if you need to register.
- Once registered, you must start charging GST.
- Code receipts and invoices as you go to show what they're for.
- Put money aside in a high-interest account until it's time to pay GST — the interest earned might help pay your ACC levy.
- Deregister when you need to — this will save you having to file nil returns.



TIP: DO NOT keep the GST you charge. It's not your money — you're collecting it for the Government.

Income tax

- To help cover your tax bill, regularly put money aside — some experts suggest at least 20% of income.
- Consider hiring a tax agent. Their knowledge could save you time and money.
- Always file your tax return by the due date to avoid penalties.
- Tell IR early if you think you might have problems paying. They might help you come to some arrangement.



TIP: DO NOT forget to pay income tax. The payment date may be a few months after you file a tax return.

PAYE

- Register as an employer **online with IR**.
- There are two forms to file each month:
 - IR345: Employer deductions — must be filed, even if you make no deductions.
 - IR348: Employer monthly schedule — only required for the months you pay employees.
- Only deduct child support for an employee if IR tells you to.



TIP: DO NOT file late. Penalties may be more than your PAYE deductions.

Unexpected

- If a major disaster happens, you must still file returns even if you can't pay.
- If your records are damaged, tell IR as soon as possible.
- To help your business survive, IR may suggest payment options.
- If you're operating at a loss and are worried about being unable to pay, contact IR.



TIP: DO NOT forget to deregister for GST and as an employer if you wind up your business.

Learn more at [Business.govt.nz](https://business.govt.nz)'s Tax and Accounting section.