

NEWSLETTER AUTUMN 2016



Urlich Lander
Chartered Accountants

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STUDENT LOANS

BORDER ARREST and INFORMATION SHARING

Highlighted in the media last month was the first arrest made since Inland Revenue have had the ability to arrest student loan defaulters. The arrest was made as a "last resort" after Inland Revenue had not managed to get hold of the borrower since he had left New Zealand, meanwhile his loan had increased from \$40,000 to \$120,000 (including interest and penalties).

In November 2015, a new Bill was introduced to Parliament which, once enacted, will enable Inland Revenue to track down student loan defaulters in Australia by obtaining up-to-date information including tax payer's addresses from the Australian Tax Office. This information will then be matched against the Inland Revenue's records and where appropriate they will act to recover outstanding loan amounts.



If you or a family member have student loan debts that are causing concern, please get in touch with your Client Manager as being proactive makes a huge difference to Inland Revenue.

BENEFICIARIES OCCUPYING A FAMILY TRUST'S HOUSE

It is common for trustees to allow beneficiaries to live in a house owned by a family trust on the condition they pay all outgoings. Documenting this decision is important. If there's no evidence of this agreement, payments made by a beneficiary could be seen as gifts to the trust, advances or payment of rent which can result in either long term care or tax issues. If you have a beneficiary living in your family trust's house please contact your Client Manager.

TAX POOLING – WE CAN HELP

Are you guilty of missing the 15 January tax payment or other tax payments? You are able to use tax pooling to avoid Inland Revenue's penalties and reduce interest. We can help you do this so please contact your Client Manager.

TRADESMEN AND CASH JOBS

Inland Revenue are toughening up their approach to Tradies pocketing cash jobs. While it is fine to be paid in cash for a job, you must deposit all business income including cash into your business bank account. This helps you keep track and have records of all cash that you have earned. Often clients who receive cash for jobs then spend it on other business expenses - such as phone top-ups or fuel - so reporting the cash income correctly doesn't add much tax to pay. Please DO NOT under report your income as the Inland Revenue is taking measures to correct this by educating tax payers where appropriate and exercising enforcement whenever necessary. Be aware that Inland Revenue can access all electronic data, whether it be TAB accounts, credit cards, phone/text history, air travel and other transactions.



URLICH LANDER OBTAINS "COMPANY QUALIFIED AUDITOR" STATUS

We are very proud to announce that we are now a "Company Qualified Auditor" having obtained approval from CAANZ/NZICA to conduct Audits. If you know of people using other auditors please tell them that we are now approved, and that they might want to see if their current auditor is approved or not.

ARE YOU PREPARED FOR YEAR END?

For most people, the end of the Financial Year is 31 March which is just around the corner so here are a few things you need think about to help us prepare your accounts and tax returns.

Bad Debts – If a customer hasn't, and won't pay you it is important to write the debt off in your system prior to 31 March to ensure you don't pay tax on income you never actually received!

Stock – Must be valued at the lower of 'cost' or net realisable value (what you can sell it for). It's a good time to perform a stocktake to determine whether any items need to be written down or can be written off.



Fixed Assets – Have you reviewed the Fixed Asset register recently? Do you have records of any items to be added or sold during the year? Are there any items no longer in use that have been scrapped or disposed of?

Drawings – Have you taken too much out of your business in Drawings during the year? If your shareholder current account is overdrawn we have to charge interest. To avoid this, we can declare a dividend or allocate current year's profits as a shareholder salary. If you think your current account is overdrawn by more than the current year's profit, give us a call! Or if you can, transfer money into your company's bank account.

Tidy records – How tidy are your records? Have you reconciled your bank account and is your accounting software up to date? Remember to make note of any business expenses paid privately! The tidier and clearer the records are, the easier it is for us to prepare your accounts, and the lower the bill!

NEED HELP KEEPING YOUR RECORDS TIDY?

Are you struggling to keep your records straight? We can help you to get all your bank records into an appropriate software package. We can advise you on which product below suits you, assist in the installation of the product, teach you how to use it and provide support where needed.



APPROVED PARTNER



IRD AUDITS

Audit Shield is an Accountancy Insurance which provides cover for associated costs if Inland Revenue announces an audit or a review of income tax or GST. The current policy year expires at the end of August 2016, so you will receive information about the insurance in July. To be covered, you must be registered and paid up each year before Inland Revenue announces its intentions!



UPCOMING TAX DUE DATES

- 2015 Terminal Tax due 7 April 2016
- 3rd Provisional Tax due 7 May 2016
- Two monthly or Six monthly GST due 7 May 2016



The Urlich Lander Team can help you with:

- Accounting Services
- Tax Debt Issues
- Family and Trading Trusts
- Tax Returns: Income, PAYE, GST and FBT
- Business Advice and Planning
- Audits and Reviews
- Administration and Management
- Accounting Systems selection, setup and training

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