

# Accounting / Tax Tips from PACC!



1. When you start a business please do use a separate bank account to manage all the business related bank transactions. 使用不同的银行账户
2. You should keep all the receipts which is under \$1000 for 7 years. 自行保留小票 7 年
3. Your ACC might be changed once you start a business, it depends on your business industry and annual income. For companies, the ACC will include two parts: Shareholder-employee, and employees. ACC 费用根据您的行业和年收入可能会有变化,公司 ACC 包含股东和员工两部分
4. A single item will be categorized as 'Asset' if it costs over \$1000, and you need to provide the receipt to us when we do the accounts. 单笔超过\$1000 的费用小票需要提供给我们, 我们需要判断是否归类为资产, 然后每年进行折旧
5. Motor Vehicle: If you are a sole trader we will calculate all the business related costs by using your logbook records. If you use it 100% for business, you need to have a separated vehicle for personal use, or a reasonable explanation. If it is a company, you can consider to transfer a personal vehicle into the company (insurance will increase because of business purpose, the revaluation is required, FBT might be applied) or buy one under the company, but a sign is required. GST is claimable for a GST-register, but when you sale / dispose it, you should payback the GST based on the residual value. The depreciation is cost deductible, with 20% -30% based on the model. 车: 自雇需要看 logbook; 公司的车可以是私人转 ownership (AA/有的邮局) 但需要做 revaluation (网上), 最好是有 sign 在车上, 费用一般是 100%可以报, 但是要根据具体情况具体分析, 车的 GST 可以 claim back (但是卖的时候要根据剩余价值还回去), 年终 20% FBT 需要调整如果出现公司车私用的情况
6. Some claimable costs: 50% of the personal mobile bill, 50% entertainment costs > \$30, travel costs < \$30, client gift, home office (we will provide you a checklist in the financial year end). 有些费用是可以抵扣收入的: 50%的电话费, 50%客人吃饭超过\$30 的费用, 路上少于\$20 的费用例如: snacks and coffee; 给客人的礼物, 家庭办公 (根据家庭办公室占总面积的%, 有些家庭用度可以算作花销抵扣收入, 我们年终会提供相应的 checklist)
7. Company's profit: we will calculate the net profit by the end of financial year, then you need to decide how to allocate it. The tax rate you pay under the company is always 28%, but it will be different if distribute it into shareholders (Shareholder-employee salary). Individual taxpayers might liable for provisional tax if their residual income tax exceeds \$5000, but you can do PAYE to avoid it. 公司的利润一般分配给股东上个人所得税, 但根据情况不同有不同的方案。公司税是 28%, 个税有不同的等级。股东工资分两种形式发放: 每月打 PAYE 工资; 或者年终拿整一笔的股东工资。涉及到预缴税, 如果年终需要缴税超过\$5000, 需要上缴下一年的预缴税
8. When you transfer money into company please put reference as 'Funding' and it isn't liable for tax. By contrast, when you transfer money out from company, please put reference as 'Drawing' and it isn't tax deductible. You can draw out the initial investment from company without paying tax, while you have to pay tax on the profit if you draw from company. 当您向公司投钱的时候不算作公司收入, 不需要上税, 但是需要您转钱的时候备注'Funding', 当您从公司拿钱的时候, 不算做公司的支出不可以于盈利相抵扣, 需要备注'Drawing', 但是如果您从公司转出的数额超过当时投资额, 那您需要对多余的部分 (profit) 缴税
9. You will get 1 year extension time to process your income tax return if you link with us. 由于我们是 IRD 注册的注会会计行, 如果您签署了代理税务协议您将获得多一年的时间去申报最后的年终税
10. We will send the PAYE, GST and income Tax return reminder each time. 我们每次都会发送相应的税务申报提醒

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## Financial year is different with calendar year:

01.04 current year to 31.03 the following year

## GST registration:

Turnover >= \$60K GST is required, < \$60K is voluntary

One - Monthly	Two - Monthly	Six - Monthly
Sales > \$24 million in 12-month	Sales < \$24 million in 12-month	Sales < \$500 K in 12-month
Payments basis	Invoice basis	Hybrid basis
Turnover < \$2m, payment made	Default basis, invoice is issued	Combines both

<https://www.ird.govt.nz/gst/what-gst-is>

## Income Tax:

Personal From 1 April 2021	Tax Rate	Non-individual	Tax Rate
Up to \$14,000	10.5%	Company	28%
Over \$14,000 and up to \$48,000	17.5%	LTC	28%
Over \$48,000 and up to \$70,000	30%	Partnership	Go individual
Over \$70,000 and up to \$180,000	33%	Trust	33%
<b>Remaining income over \$180,000</b>	<b>39%</b>		

<https://www.ird.govt.nz/income-tax/income-tax-for-individuals>

## Provisional Tax:

Number of instalments	Payment Due
2	28 October and 7 May
3	28 August, 15 January and 7 May
6	28 June, 28 August, 28 October, 15 January, 28 February and 7 May
12	15 January, 28 January, 28 February, 28 March, 7 May, 28 May, 28 June, 30 July, 28 August, 28 September, 28 October, 28 November

<https://www.ird.govt.nz/income-tax/provisional-tax>

## How to pay tax:

Go to online bank > Make a payment > Pay Tax / Pay IRD > Tax type (GST; DED-PAYE; INC-Income Tax) > Period end > IRD number

*\*When you pay PAYE, please make sure you put employer's IRD number **NOT** employees IRD NO.*



*Declaration: Above tips provided by PACC are only used for your reference, you need to seek professional advises before you making any decisions and submitting any tax returns to IRD.*