

News

Finnz Limited

As our new financial year rolls around at the start of April, we will be moving to a company structure. You shouldn't notice any significant changes in how we deliver our service to you, but it does mark the end of the "Finn & Partners" era. You'll know that we have slowly been rebranding ourselves to Finnz Chartered Accountants over the last few years and this is the last part of that exercise. For those that are history buffs, the Finn & Partners name stretches back quite a few years to when Dick Finn (father to Tim and Neil of Crowded House fame) was a partner in the practice. We don't have any Finns working here any more, but the legacy lives on through the Finnz name.

Annual Accounts time....

The end of the 2017-18 financial year is approaching and for some of you March 31 is it!

The annual questionnaires are now available on our web site for you to download. Please visit <https://finnz.co.nz/resources/> for your copy to fill in and include with your papers. If you need us to post one to you please phone the office.

You may be asking whether you need to fill out a questionnaire. The general rule is that we like **all** our clients to fill one out where possible. However filling one out may be less important if you have no trading stock and there have been no changes to your assets or business operations. If you think this might be you, best to give us a call first and we can discuss your situation. Note that you will still need to provide us with all the necessary information regardless of whether the questionnaire is filled out.

Rental Property Alert

Those of our clients who have a rental property as an investment should be aware that the government have slipped in a key change into the latest tax bill. No doubt you will already be aware that any gain in value for rental properties sold within two years is currently taxable. As of 1 April, any rental property sold within *five* years with a gain in value will now also be taxable. So property investors should be aware that they will need to be in the rental game for the long haul.

Perhaps of more concern was a comment at a conference by the Minister of Revenue, that one of the government's priorities for tax policy was to "ring-fence" rental losses. This means that they don't want rental investors to be able to offset losses from rental properties against other forms of income, thereby reducing their tax bill. This hasn't been put into a tax bill yet, but may not be too far away. Give us a call if you want us to review your structure and discuss some options for your rental properties.

New Provisional Tax Option

At the start of April, the Inland Revenue will be introducing a new option for paying your provisional (prov) tax. It's called the "Accounting Income Method" or "AIM". This new option has a couple of interesting features which we will detail below.

Hello to the internet age

The AIM method looks to take advantage of the growth in online accounting systems and provide more information to the IRD more regularly. So rather than using guesswork/ estimates for prov tax then completing a full tax calculation at the end of the financial year, the AIM method incorporates a tax calculation at each prov tax date. You're effectively providing the IRD with a mini tax return for each period. Needless to say, in order to use this method, you will need an online accounting system like Xero.

Goodbye to interest

As an incentive for giving the Inland Revenue access to your accounting information more often, they will remove any interest on your provisional tax payments. So regardless of whether you underpaid at a certain prov tax date based on your final liability, there will be no interest charged if you followed AIM correctly.

If you think that signing up to AIM could be a good idea for your business, check it out at www.ird.govt.nz/aim, or give us a call and we can talk you through the pros and cons. Apart from meeting the particular requirements, there is also likely to be a one-off setup cost so we can adjust the settings in your accounting system to line up with the IRD. Unfortunately we can only make those adjustments one client at a time so we will only be adjusting those who want to change to AIM.

Companyworks Introduction

We are excited to announce a new partnership with CompanyWorks, who will be helping us lift our game with regard to our company administration. CompanyWorks provide an online portal to keep company details up-to-date and interact with the Companies Office. With the upcoming requirement for accountants to fall under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, CompanyWorks will provide one of the platforms we need to stay on top of our legal requirements.

The roll out will commence during April and continue throughout the rest of the year. As the month of your annual return arrives, expect to see a new and better way of getting it done. And of course, feel free to give us a call if you have any questions.

The Team at Finnz



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