

24 November 2022

Dear Clients

We hope this newsletter finds you and your family well.

Our Questionnaires are on our Website [www.gcaccountants.co.nz](http://www.gcaccountants.co.nz) under the Resources Tab. These are valid for all years. Please contact our Administration team [admin@gcvt.co.nz](mailto:admin@gcvt.co.nz) if you would like a paper copy sent out to you.

### **North Canterbury Office**

Our North Canterbury Office is available, by appointment only for those people who would prefer to meet in Clarkville, rather than cross the Waimakariri River to come to our Christchurch Office. Please let us know if you would prefer to meet at this office.

### **Cost of Living Payment**

The Labour Government cost of living allowance is only available to you if you are not on a pension/benefit and earn under \$70,000 per annum for the Income Tax Year Ended 31 March 2022. Please provide us with your tax information before 1 February 2023. Your tax return must be signed and filed at the IRD before 1 April 2023 to qualify.

### **Cryptocurrencies**

If you have invested in Cryptocurrency and have subsequently disposed of the original cryptocurrency by trading for another cryptocurrency, exchanging it for other currencies or gifted it – those activities are all taxable. Cryptocurrencies must be tracked from the start of your purchase, and we will need your trades and fees reports for all transactions from day one until disposed of/realized. This also applies to other commodities such as gold and silver coins and bullion.

### **Vehicles/FBT Usage**

For Companies an annual FBT adjustment on vehicles is the preferable option to claim 100% of the ongoing expenses for GST and Income Tax. Unfortunately, this option is not available for Trusts/Partnerships and Sole Traders and good record keeping is vital either for your mileage claim (including odometer readings) or a logbook for three months (every 3 years) to determine business and personal usage.

### **Stock/Livestock**

Remember to do a physical count at your balance date. For most clients this is either 31 March or 30 June.

### **Share Trading**

There has been a significant increase in clients that are purchasing shares through intermediaries such as Sharesies and Hatch. Please note clients that are long term holders of shares are share investors with the capital gain on shares being nontaxable. Other clients are regularly trading in shares and the gains (+ Losses) are taxable. Also, some clients where their overseas holdings exceed \$50k are subject to the FIF regime.

### **Kiwisaver - Are you getting the most out of your KiwiSaver?**

1. Are you in the most suitable fund?
2. Do you know what you are paying in fees?
3. Is your performance aligned with your expectations?

It's more important than ever to review your fund selection, fees and performance and ensure your risk is aligned to your expectations and values. Get in touch with Dan Lewis, a qualified Investment Adviser for your personalised, free report. It only takes a minute to enter your details at [www.fwg.nz](http://www.fwg.nz) and you will go into the draw to win a Prezzy card! Alternatively, contact Dan Lewis at [dan@fwg.nz](mailto:dan@fwg.nz) or call 027 778 5754.

### **Employers**

It is critical that an employment contract is signed before an employee starts work. An IR330 Form and Kiwisaver opt in/out form must be completed/signed and held by you as the employer. Health and Safety Procedures and Policies also need to be signed off by the new employee. There are some good wage software options available to manage the payment of wages and PAYE payable to IRD.

### **GST**

For some smaller clients who are not GST registered, will need to keep an eye on the invoiced income (sales turnover). Where it is possible that turnover would exceed \$60,000 then you will need to be registered for GST. Please review your sales turnover by 1 February 2023 and contact us if it is likely that your turnover has exceeded or is likely to exceed \$60,000 in that year.

### **MYOB Banklink**

We have clients on Banklink who will need to change over to an alternative software provider either by the 31 March 2023 or no later than 31 March 2024 as MYOB have indicated their intention to discontinue that service. We will be contacting you directly to arrange an alternative software provider.

### **Trusts**

From the 31 March 2022 the Trust Act changed and the IRD now require good record keeping (most likely an annual balance sheet) to be done for all Trusts even if they weren't done previously together with annual minutes. We are currently working towards getting all Trust information updated with all our current Trusts.

Due to the implications of Covid 19 and taking on Estate of Greg Smithson clients we would like to thank our clients for their patience given delays getting work out this year.

Kind Regards

From the team at Garden City Accountants