



Non-resident income tax return guide 2012

Please read page 4 of this guide to see if you have to complete an IR 3NR.

This guide is based on New Zealand tax laws at the time of printing and does not take into consideration any double taxation agreements that may apply.

A large, white, stylized graphic of a person's head and shoulders, positioned in the lower half of the page. The head is a circle, and the shoulders are a simple shape.

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Use this guide with your return

If you need help filling in your return, please contact our:

Non-resident Centre

Inland Revenue

Private Bag 1932

Dunedin 9054

New Zealand

Phone 64 3 951 2020

Fax 64 3 951 2216

Email nonres@ird.govt.nz

If you lose your return, you can download a copy from our website. Please don't use anyone else's preprinted copy.

Non-residents

We've sent you an IR 3NR return pack because our records show you as a non-resident for tax purposes.

This generally means you haven't been personally present in New Zealand but have earned income from New Zealand sources.

If you're uncertain about your residency status please see our guide *New Zealand tax residence (IR 292)*.

Who has to send in an IR 3NR income tax return?

You must complete and send in an IR 3NR if you were a **non-resident for the full year** but received income from New Zealand. For example:

- interest, dividends, taxable Māori authority distributions or royalties*
- rents
- earnings from self-employment
- directors' fees for services performed in New Zealand
- income from an estate, trust or partnership
- superannuation for past services in New Zealand (this may be exempt if a double taxation agreement applies).

You'll also need to file an IR 3NR if you have losses or excess imputation credits carried forward from the previous year.

* You probably **won't** have to fill in a return if your only income is from interest, dividends, or royalties, and NRWT was deducted at the correct rate—see page 11.

Part-year non-residents

If you were a non-resident for part of the year between 1 April 2011 and 31 March 2012, **you have to complete an IR 3** and make a list showing your income earned as a resident and as a non-resident. Staple this list to the top of page 3 of your **IR 3 return**.

If you need an IR 3 return and/or don't need to file an IR 3NR please contact our Non-resident Centre—see page 3.

Post your IR 3NR return to us by 7 July 2012

If you have to fill in a return and you don't send us one, we'll charge a late filing penalty—unless you get an extension of time.

Income year

The information in this guide is based on the tax year 1 April 2011 and 31 March 2012. If your income year is different you can still use the guide, but work out your income and expenses for your income year. If you need more information, call our Non-resident Centre.

How are non-residents taxed?

In an individual's annual assessment, NRWT is assessed on income from interest, dividends and royalties—see pages 7 – 13. All other income is added up and tax is calculated at the current tax rates.

The two amounts of tax are added together. Credit is then allowed for any tax deducted by the payer of the income, eg, NRWT, PAYE, RWT on dividends, Māori authority credits, schedular payment credits and tax paid by trustees.

Questions 1 to 6 Personal information

This information helps us to contact you. Please make sure we have your details exactly right. If you've changed your name or address, let us know so we can update our records.

Postal address

If you use your tax agent's postal address leave this address panel blank, even if your postal address has changed. Your agent will tell us of any change of address when updating their client list.

If your address is a PO Box number, please show your box lobby if you have one. If you're unsure of your box lobby number please contact New Zealand Post.

Date of birth

We ask for this so we don't mix up people with the same name.

Question 7 Bank account number

The fastest and safest way to get any refund is to have it direct credited to your bank account. If your bank account number isn't preprinted on the return form, write it in Box 7.

Question 8 New Zealand Superannuation (NZ Super)

If you received standard NZ Super during the year, you must include it in your return. Work and Income deducts tax from payments to you. Copy the details from your *Summary of earnings (IR 544)* to Question 13 of your return. For more information about the summary of earnings—see page 14.

NZ Super paid to you as a resident of another country is known as “portable New Zealand Superannuation”. Work and Income doesn't deduct tax from payments of portable superannuation when it's paid to you, and you don't have to include it in your return.

For information about pensions, please see page 14.

Non-resident passive income

NRWT

NRWT is deducted from a non-resident's New Zealand income. The types of income (non-resident passive income) and the maximum rates of NRWT are:

- dividends 30%
- interest 15%
- royalties 15%.

Expenses **can't** be claimed against non-resident passive income.

Note

If you're a non-resident and have a "fixed establishment" in New Zealand, interest isn't liable for NRWT but you have to include it in your return. A fixed establishment is a fixed place where a non-resident has a business, such as a shop, farm or factory. It doesn't include property that produces rental income only.

New Zealand has double tax agreements (DTAs) with a number of countries. These agreements may allow for different rates, you can check the rates on our IR290 form. Go to www.ird.govt.nz/keyword IR250

If you need more information you can check NRWT on our website or contact the Non-resident Centre.

Use the "other countries" rates on the IR 290 if:

- the country you live in isn't on the list
- you don't know your country of residence
- you have no country of residence.

You don't need to send in a return if:

- your only New Zealand income was from interest, dividends or royalties, and
- NRWT has been deducted at the correct rate.

If you aren't sending in a return, please write to our Non-resident Centre (see page 3) so we can record that:

- NRWT has been deducted correctly, or
- you're no longer a non-resident, or
- you no longer receive any New Zealand-sourced income.

This will save us from contacting you later. Remember to write your name and IRD number on the letter.

Question 9 New Zealand interest

Did you receive any New Zealand interest between 1 April 2011 and 31 March 2012:

- in cash or by cheque
- credited or added to your account
- compounded and added to your investment
- earned by a partnership, estate or trust, or from Inland Revenue?

You must show all New Zealand interest you receive. Include interest from banks, building and investment societies, credit unions, other securities and any loans you've made. Also include interest from Inland Revenue.

Don't include any interest that has:

- had NRWT deducted at the correct rate
- been zero-rated under the approved issuer levy rules (AIL).

See page 10 for details.

Interest on broken term deposits

If you've broken a term deposit during the year, you may have negative interest to account for. This is interest you've repaid on the term deposit. It may reduce the amount of interest you need to declare on your return.

If you broke the term deposit in full, or it was business-related, deduct the negative interest from the gross interest amount on your *NRWT withholding certificate (IR 67)*. Deduct the allowable negative interest component using the worksheet opposite before entering the gross amount at Question 9B.

Worksheet: Interest on broken term deposits

Copy your gross interest from your NRWT withholding certificate to Box 1.

1  \$

Print any negative interest you've paid in Box 2.

2  \$

Subtract Box 2 from Box 1 and print the answer in Box 3. Include this amount in the total shown at Box 9B on your return.

3  \$

What to show in your return

The interest payer will send you a statement or an *NRWT withholding certificate* (IR 67). It will show the gross interest paid and the amount of tax deducted.

From each interest statement or certificate, copy the name of the payer, add up the amounts of tax deducted and the gross interest and print the totals in the boxes at Question 9.

Don't send us your interest statements or certificates, but keep them in case we ask for them later.

RWT

If RWT was deducted from your interest, include it in the RWT column. Tell the organisation paying you interest you're a non-resident and the country you are resident in—the payer will then deduct NRWT at the rate for that country.

NRWT payable on your interest

Refer to the IR 290 at [www.ird.govt.nz/keyword: IR290](http://www.ird.govt.nz/keyword:IR290) to find the NRWT rate on interest for your country of residence. Multiply that rate by the amount in Box 9B of your return and print your answer in Box 9C.

The credits attached to the gross interest will be offset against the NRWT payable.

Approved issuer levy (AIL)

From 1 August 1991 “approved issuers” (financial institutions) pay interest to non-residents free of NRWT. They have to pay a levy for the right to issue securities subject to a zero rate of NRWT.

The levy, known as approved issuer levy, is calculated at a rate of two cents for every dollar of interest paid for the security.

Note

Don't include in your return any interest zero-rated under the AIL rules.

Interest of \$20 or less

If the total interest you received for the year is \$20 or less, you may not receive a certificate or statement, but you still need to show the gross interest and NRWT. Get the details from your bank statements.

More than three certificates

There's space in the return for details from three interest statements or certificates. If you have more than three, add up all the NRWT and gross interest amounts from all your certificates and print the totals in Boxes 9A and 9B.

Interest on joint accounts

If you hold a joint account, you must show your share of the interest in your return.

Interest paid or charged by Inland Revenue

If Inland Revenue pays you interest, include the interest received in Box 9B for the income year you received the interest.

If you paid Inland Revenue interest, include it as a deduction in the income year the interest is paid.

Question 10 New Zealand dividends

If you received any New Zealand dividends between 1 April 2011 and 31 March 2012 show them at Question 10. Include dividends earned by a partnership or estate or distributed by a trust.

Do not include dividends received which are fully imputed and from a company in which you have a 10% (or greater) direct voting interest. The NRWT rate on these dividends is 0%.

Don't include any dividends that have had NRWT deducted at the correct rate.

Note

If you received fully imputed cash dividends or full payments for any foreign dividends credited, the rate of NRWT is 15%.

Credits attached to dividends

A New Zealand company may attach several types of credits to dividends.

- NRWT—30% or 15% of the dividend is deducted when it's paid to you.
- Payment for a foreign dividend—these are credits on tax payments made for dividends the company received from overseas.
- Imputation credits—a portion of the tax paid by the company on its profits.

You can't claim imputation or franking credits from dividends paid to you while you're a non-resident. But you can claim any excess imputation credits you received while you were resident in New Zealand because these can be offset against tax payable on "other income". If you have excess imputation credits to bring forward—see page 23.

- If the dividend does not have NRWT deducted, RWT would generally be deducted @ 33%.

What to show in your return

From each dividend statement, show at Question 10:

- the name of the company
- the dividend credits (by adding up the NRWT, payment for a foreign dividend and RWT)
- the gross dividend (by adding up the dividend paid, NRWT, payment for a foreign dividend and RWT).

Add up the amounts and print the totals in Boxes 10A and 10B.

Don't include any imputation or franking credits shown because they don't apply to you.

Don't send us your dividend statements, but keep them in case we ask for them later.

RWT

If your dividends have had RWT deducted, include this in Box 10A. Tell the payer you're a non-resident and the country you're resident in. The payer will then deduct NRWT at the rate for that country.

NRWT payable on your dividends

Refer to the IR 290 at www.ird.govt.nz/keyword:IR290 to find the NRWT rate on dividends for your country of residence. Multiply that rate by the amount in Box 10B of your return and print your answer in Box 10C.

The credits attached to the gross dividends will be offset against the NRWT payable.

Shares instead of dividends

If you received shares from a taxable bonus issue or a non-cash dividend, include them as income at Question 10. Write the amount as if you received dividends instead of shares.

More than three statements

There's space on the return for details from three dividend statements. If you have more than three dividend statements, add up all NRWT, payment for foreign dividends or RWT and gross dividends from all your statements and print the totals in Boxes 10A and 10B.

Question 11 New Zealand royalties

Did you receive any New Zealand royalties between 1 April 2011 and 31 March 2012 that were paid, credited or otherwise dealt with on your behalf?

Show all royalties from New Zealand sources at Question 11, including royalties received by a partnership, estate or trust.

Don't include royalties that have had NRWT deducted at the correct rate.

What to show in your return

From each royalty statement, copy the total amounts of tax deducted and the gross royalties to the boxes at Question 11.

Don't send us your royalty statements, but keep them in case we ask for them later.

NRWT payable on your royalties

Refer to the IR 290 at [www.ird.govt.nz/keyword: IR250](http://www.ird.govt.nz/keyword:IR250) to find the NRWT rate on dividends for your country of residence. Multiply that rate by the amount in Box 11B of your return and print your answer in Box 11C.

The credits attached to the gross interest will be offset against the NRWT payable.

Other income

Question 13 New Zealand income with tax deducted

Did you receive any of these types of income from New Zealand sources between 1 April 2011 and 31 March 2012:

- salary or wages
- schedular payments
- accident compensation payments related to earnings
- standard New Zealand Superannuation
- taxable pensions, annuities or superannuation?

What to show in your return

In late May 2012 we'll send you a *Summary of earnings (SOE)* for the year 1 April 2011 and 31 March 2012. Use this to complete your return.

If you had income from salary, wages, benefits, taxable pensions or schedular payments, add totals 11E and 12A from your SOE and print the total in Box 13A. Add totals 11B and 12B and print the total in Box 13B.

If you have extinguished tax credits for payroll donations, the PAYE deducted figure on your SOE has been adjusted to show this.

You don't need to attach your SOE to the return unless you're making changes to it.

Pensions

Don't include these pensions or annuities in your return:

- non-taxable pensions or annuities from superannuation schemes registered with the Financial Market Authority (eg, government superannuation) or life insurance funds —the tax on these is already paid by the fund
- completely tax-free pensions, such as war pensions (other than a veteran's pension)
- portable New Zealand Superannuation.

Schedular payments

If you received any schedular payments, read the notes on page 22 to see if you can claim expenses.

If you're registered for GST, your gross schedular payment may include GST. Enter the GST-exclusive amount at Question 13B.

Question 14 Māori authority distributions

Māori authorities can make various types of distributions.

Fill in Question 14 if you received any taxable Māori authority distributions between 1 April 2011 and 31 March 2012. The Māori authority that paid you the distributions sends you a statement.

Credits attached to distributions

The Māori authority may attach a credit to the distribution it makes to members. This credit will be classified as a Māori authority credit and is part of the tax already paid on the profits, so the distributions aren't taxed twice.

What to show in your return

Your Māori authority distribution statement shows:

- the amount of the distribution made to you, including what portions are taxable and non-taxable
- the amount of Māori authority credit.

These amounts, not including any non-taxable distributions, will need to be transferred to the relevant boxes at Question 14.

Example

A Māori authority makes a pre-tax profit of \$10,000. It pays tax on this profit of \$1,750 (Māori authority tax rate of 17.5%) and distributes the entire profit to its 10 members. So each member will receive \$825 as a cash distribution and \$175 of Māori authority credits.

Each member of the authority who has to file an IR 3NR return would show the following information at Question 14:

Box 14B – \$1,000 (made up of \$825 + \$175)

Box 14A – \$175

Non-taxable distributions

Any other distributions received from a Māori authority, which are not taxable in the hands of a Māori authority member, don't need to be included in the IR 3NR return. These amounts are classed as non-taxable distributions and can't have credits attached.

For more information see our *Māori authorities guide* (IR 487).

Question 15 New Zealand partnership income

If you received any partnership income between 1 April 2011 and 31 March 2012, show it at Question 15.

What to show in your return

Print your share of the partnership's tax credits in Box 15A.

Print your share of the partnership's income in Box 15B.

If your partnership income includes:

- interest and any tax credits, show it at Question 9
- dividends and any credits, show it at Question 10
- royalties and any tax credits, show it at Question 11.

Expenses

You may be able to claim expenses against your share of the partnership income not claimed in the partnership's return (IR 7), eg, interest on capital borrowed to purchase a share in a partnership. Claim these expenses at Question 23.

Losses from limited partnerships

If you're claiming a loss from a limited partnership and you need help working out the amount you can claim, please go to www.ird.govt.nz

Question 16 New Zealand estate or trust income

If you received estate or trust income between 1 April 2011 and 31 March 2012, show it at Question 16.

There are three types of estates or trusts:

- complying
- foreign
- non-complying.

Only include the trust's distributions to you as beneficiary income. Don't include any other sort of distribution.

For more information see *Trusts' and estates' income tax rules* (IR 288).

What to show in your return

Print your share of the tax paid by the trustees in Box 16A and the estate and trust income in Box 16B.

If your estate or trust income includes:

- interest and any RWT, show it at Question 9
- dividends and any credits, show it at Question 10
- royalties and any tax credits, show it at Question 11.

Note

There's a special rule for non-resident beneficiaries who become residents again. It applies if you became resident in New Zealand within five years of leaving, and you received beneficiary income or taxable distributions from a non-complying or foreign trust while not resident. That income is assessable on the day you became a New Zealand resident again. Contact our Non-resident Centre (see page 3) if this situation applies to you.

Question 17 Look-through company (LTC) income

If you received any tax credits and/or income from an LTC, write the details at Question 17.

Don't include:

- interest and RWT (include these at Question 9)
- any dividend imputation credits, dividend RWT and gross dividends (include these in Box 10)

Show all other tax credits received from the LTC in Box 17A. Show LTC income not already included elsewhere in Box 17B.

Deductions (expenses) against LTC income are limited if the owner (shareholder) doesn't have sufficient equity in the company to cover them. Calculations regarding this are made by the company and this information should be passed onto all owners. If your deductions have been limited you should have been advised of the amount of non-allowable deductions. Show this amount in Box 17C. Add it to the figure in Box 17B and show the result in 17D. Include this amount in your taxable income.

You can find more information about LTCs in *Look-through companies (IR 879)* guide.

Question 19 New Zealand rents

If you received any income from rents between 1 April 2011 and 31 March 2012, show it at Question 19.

Prepare a summary of the details for each rental property.

You can use either:

- a *Rental income (IR 3R)* form, or
- your own summary.

If you prepare your own summary, we need the following details:

- the address of the rented property
- the number of months it was available for renting
- total rents before expenses
- rates
- insurance
- interest
- agents' collection fees
- repairs and maintenance (see page 19)
- depreciation and contents
- total rents after expenses (your net rent).

These details are explained fully in our guide *Rental income (IR 264)*.

Ongoing expenses

Claim ongoing expenses, such as rates, insurance and interest, in proportion to the number of months the property was available for renting. For example, if the property was available for 10 months, you can claim $\frac{10}{12}$ ths of these expenses.

Repairs and maintenance

You can claim property and plant repairs and maintenance but not additions or improvements—these can be depreciated. If your property has been classed as a leaky home please contact the Non-resident Centre. Note that depreciation on most buildings is no longer able to be claimed. This generally covers buildings with an estimated useful life of 50 years or more.

NRWT

Where interest is claimed as an expense and is paid to an overseas lender on a mortgage over land in New Zealand, it must have NRWT deducted and paid to Inland Revenue—unless the Malaysia or Singapore double tax agreements apply. See the *NRWT payer's guide (IR 291)* for more help.

What to show in your return

Add up the net rent (rent after expenses) and print the total in Box 19. Staple the IR 3R or your summary to the top of page 3 of your IR 3NR. Keep your receipts with your records in case we ask to see them later.

Question 20 New Zealand self-employed income

If you received any income from self-employment between 1 April 2011 and 31 March 2012, show it at Question 20.

Prepare a summary of details

You can use:

- your financial records
- the IR 3F form for agricultural businesses
- the IR 3B form for other businesses
- the IR 10 form.

IR 10

This is a statistics form that sets out a general summary of information from your financial accounts. If you complete an IR 10, you don't need to send us your financial accounts as well. You still need to complete them and keep them in case we ask for them later.

What to show in your return

From your financial accounts, IR 3B or IR 3F, print your profit in Box 20.

Staple the following to the top of page 3 of your IR 3NR:

- your financial accounts, IR 3F or IR 3B, or
- a completed IR 10 form.

Keep your receipts with your records in case we ask to see them later.

Question 21 Other New Zealand income

If you received any other income between 1 April 2011 and 31 March 2012, show it at Question 21. This includes:

- the sale of land and/or buildings
- the sale of shares or other property
- the sale or redemption of securities
- cash jobs, tips, payments made “under the table”, bartering or income from an illegal enterprise.

Income from the sale of land and/or buildings

The profits are taxable if you bought a property for the purpose of reselling it, or are in the business of buying and selling land and/or buildings.

The profits may be taxable if you:

- are a builder and improved a property before selling it
- developed or subdivided land and sold sections
- had a change of zoning on your property and sold it within 10 years of buying it.

Print the total profit in Box 21. Put the details of your income and expenses from these sales on a sheet of paper and staple it to the top of page 3 of your IR 3NR.

If you're not sure whether your income from the sale of land and/or buildings is taxable, please contact our Non-resident Centre—see page 3.

Income from the sale of shares or other property

The profits are taxable if you bought:

- and sold shares or other property as a business
- shares or other property for the purpose of resale.

Print the total profit in Box 21. Attach a note with the details of your income and expenses from these sales to the top of page 3 of your IR 3NR.

If you're not sure if your income from the sale of shares or other property is taxable, please contact our Non-resident Centre—see page 3.

Sale or disposal of assets

If you sold or disposed of a depreciated asset for more than its adjusted tax value, please read our guides *Depreciation (IR 260)*, *General depreciation rates (IR 265)* or *Historic depreciation rates (IR 267)*.

Losses from the sale of land, buildings, shares or other property

If you made a loss and can show that if you'd made a profit it would have been taxable, you may be able to claim the loss as a deduction. Print the loss in Box 20. Attach a note with the details of your income and expenses from these sales to the top of page 3 of your IR 3NR.

If you're not sure if you can claim a deduction for a loss, please contact our Non-resident Centre—see page 3.

Investments in portfolio investment entities (PIEs)

If you have an investment in certain PIEs that use their investor's prescribed investor rate (PIR) to calculate the PIE's income tax, you're required to use the 28% PIR for the 2012 income year. This will mean that the income does not get included in your tax return.

If the PIE has deducted tax at a lower PIR, you're required to pay the tax shortfall. You'll need to attach details to the return.

Question 23 Expenses

If you had expenses against the income you earned between 1 April 2011 and 31 March 2012, you can claim here for:

- a fee you paid someone for completing your return
- expenses incurred in earning certain income which tax has been deducted from
- additional expenses incurred in deriving partnership income, eg, interest on capital borrowed to purchase a share in the partnership
- premiums on loss of earnings insurance, provided the benefit from the insurance policy is taxable.

What to show in your return

Print the total of your expenses in Box 23. If you paid someone to complete your return, write the person's name in the panel provided. Attach a note with the details of other expenses and your name and IRD number to the top of page 3 of your IR 3NR.

You can't claim expenses against:

- non-resident passive income, ie, interest, dividends, or royalties
- salary and/or wages
- taxable Māori authority distributions
- election day services
- casual agricultural work
- commissions if you're also paid a salary or retainer from the same employer.

If you're registered for GST:

- you must deduct any GST included in any gross schedular payment income, and
- you can't claim the GST portion of your expenses.

Question 25(i) Net losses brought forward

There are two types of net losses you can bring forward.

Specified activity net losses

If you're claiming specified activity net losses and need help with this question, please contact our Non-resident Centre—see page 3.

Other net losses

Other net losses are all those incurred from the 1991 income year onwards and those not limited before 1991.

Where to find your net loss to bring forward

You can find the amount of net loss you have to bring forward on the loss letter we sent you after your 2011 notice of assessment or return acknowledgement. If you don't have a loss letter, contact us and we'll send it to you.

What to show in your return

Add up all net losses to be brought forward to 2012 and print the total in Box 25A. Print the net loss amount you can claim this year in Box 25B.

Question 25(ii) Loss from a loss attributing qualifying company (LAQC)

From the beginning of the income year starting on or after 1 April 2011 LAQCs can no longer attribute losses to their shareholders. This means, only LAQCs with early balance dates (before 31 March) will be able to attribute losses for the 2012 income year.

If you are a shareholder in a LAQC, write any attributed losses in Box 24C.

Excess imputation credits brought forward

You can bring forward any excess imputation credits you received while you were resident in New Zealand because these can be offset against the tax payable on your other income.

If you have excess imputation credits to bring forward, you can find the amount on the "Loss/excess imputation credits carried forward" letter we sent you after your 2011 year return acknowledgement or notice of assessment.

To claim these credits, attach a note to the front of your return.

Tax calculation

Is your taxable income:	Calculate your tax on taxable income:
\$0.00 to \$14,000	below
\$14,001 to \$48,000	below
\$48,001 to \$70,000	Page 26
\$70,001 or more	Page 26

Question 28 Tax calculation

Use this worksheet if your taxable income is from \$0 to \$14,000

Copy your taxable income from Box 26 of your return to Box 1.

Multiply box by 0.105 (10.5 cents in the dollar).

Print the answer in Box 2.

This is the tax on your taxable income.

Copy it to Box 28B on page 5 of your return.

Use this worksheet if your taxable income is from \$14,001 to \$48,000

Copy your taxable income from Box 26 of your return to Box 1.

Subtract Box 2 from Box 1. Print the answer in Box 3.

Multiply Box 3 by 0.175 (17.5 cents in the dollar).

Print the answer in Box 5.

Add Box 4 and Box 5. Print the answer in Box 6.

This is the tax on your taxable income.

Copy it to Box 28B on page 5 of your return.

If your taxable income is from \$0 to \$14,000, your tax rate is 10.5 cents in the dollar.

1 ▶ \$.

2 ▶ \$.

Your tax is \$1,470 plus 17.5 cents for each dollar in this tax bracket.

1 ▶ \$.

2 ▶ \$.

4 ▶ \$.

3 ▶ \$.

5 ▶ \$.

6 ▶ \$.

**Use this worksheet if your
taxable income is from \$48,001 to \$70,000**

Copy your taxable income from Box 26 of your return to Box 1.

Subtract Box 2 from Box 1. Print the answer in Box 3.

Multiply Box 3 by 0.30 (30 cents in the dollar).
Print the answer in Box 5.

Add Box 4 and Box 5. Print the answer in Box 6.

**This is the tax on your taxable income.
Copy it to Box 28B on page 5 of your return.**

**Use this worksheet if your
taxable income is \$70,001 and over**

Copy your taxable income from Box 26 of your return to Box 1.

Subtract Box 2 from Box 1. Print the answer in Box 3.

Multiply Box 3 by 0.33 (33 cents in the dollar).
Print the answer in Box 5.

Add Box 4 and Box 5. Print the answer in Box 6.

**This is the tax on your taxable income.
Copy it to Box 28B on page 5 of your return.**

Your tax is \$7,420 plus 30 cents for each dollar in this tax bracket.

1 ▶ \$.

2 ▶ \$.

4 ▶ \$.

3 ▶ \$.

5 ▶ \$.

6 ▶ \$.

Your tax is \$14,020 plus 33 cents for each dollar in this tax bracket.

1 ▶ \$.

2 ▶ \$.

4 ▶ \$.

3 ▶ \$.

5 ▶ \$.

6 ▶ \$.

Refunds and/or transfers

Question 29 Getting a refund?

If you're entitled to a refund, you may:

- have it direct credited to a New Zealand bank or other deposit account, such as a building society account
- transfer all or part of it to cover someone else's income tax debit, and receive either a cheque or direct credit refund for any balance
- transfer all or part of it to pay your 2013 provisional tax
- receive it by cheque. All cheques are issued in New Zealand currency.

If you've made payments towards your 2013 provisional tax and, after completing this return, you find that you have less or no provisional tax to pay, the overpayment can be included in the amount we refund or transfer. Print the overpaid amount in Box 28B.

Direct credit

If you choose direct credit you get your refund faster and you can withdraw your money as soon as it's credited because there's no clearance time.

We pay any refund direct into your New Zealand bank account as soon as we've processed your return. Make sure your correct account number is printed at Question 7 on the front page of your return.

Refunds of less than \$5

If your refund is less than \$5 it'll be carried forward to your next tax assessment. We'll offset it against any amount you may owe us or add it to any future refund.

Transfers

If you want your refund transferred to another account or to arrears you're paying off by an instalment arrangement, tell us the date you want your excess tax transferred.

The date you choose depends on what tax has been overpaid and whose account you want the credit transferred to.

Note

If the transfer is to arrears being paid off by an instalment arrangement, attach a note with your return authorising the transfer and telling us:

- the transfer is to arrears currently under an instalment arrangement
- the name and IRD number of the taxpayer the transfer should be made to
- whether the taxpayer is an "associated person"
- the tax type and period
- the date you want the transfer to take place.

Associated taxpayers

The following people are associated taxpayers for the purposes of transferring overpaid tax:

- a company you're a shareholder-employee in
- a partner in the same partnership
- a relative, eg, child, parent
- spouse or partner
- a trustee of a family trust you're a beneficiary of.

Transfer date

You can ask for your credit to be transferred at any date as long as it's after the relevant date set out below.

Credit to be transferred to your own account or to the account of an associated taxpayer

- If the refund is from excess tax deducted (eg, PAYE deducted):
 - the day after your balance date (or 1 April if your balance date is before 31 March).
- If the refund is from overpaid provisional tax:
 - the day the overpaid provisional tax was paid.

Credit to be transferred to an account of another person who isn't associated

The later of:

- the day you requested the transfer, or
- the day after your return is filed.

Future transfer dates

If you'd like your credit transferred at a date in the future, staple a note to the front of your return with the details of:

- the amount you want transferred,
- the account you want it transferred to (and if it's to another person, whether they're associated), and
- the date you'd like the credit transferred.

If you don't tell us the date you'd like your credit transferred, we'll transfer it at a date we think gives you the greatest advantage. If you'd like the credit transferred at a different date, you can contact us and ask for the transfer date to be changed (including if we've transferred your credit to cover a debt).

Requesting transfers on your return form

You can ask us to transfer a refund to another account by filling out the boxes on page 5 of your return. If you ask for a transfer on your return, we'll transfer your refund at one of the following dates:

- Transfer to your own account or an account of someone associated to you the later of:
 - the day after your balance date (or 1 April if your balance date is before 31 March), or
 - the due date in the destination account.
- Transfer to an account of someone not associated to you
 - the day after your return was filed.

If you'd like your refund transferred at a different date to those listed above, staple a letter to your return.

Include the details of the account you want the refund transferred to and the transfer date. If the transfer is going to another person, remember to tell us if they're associated to you.

Note

Special rules apply if the return period has had tax pooling funds transferred in.

Are you entitled to an early payment discount?

The early payment discount is available for people who:

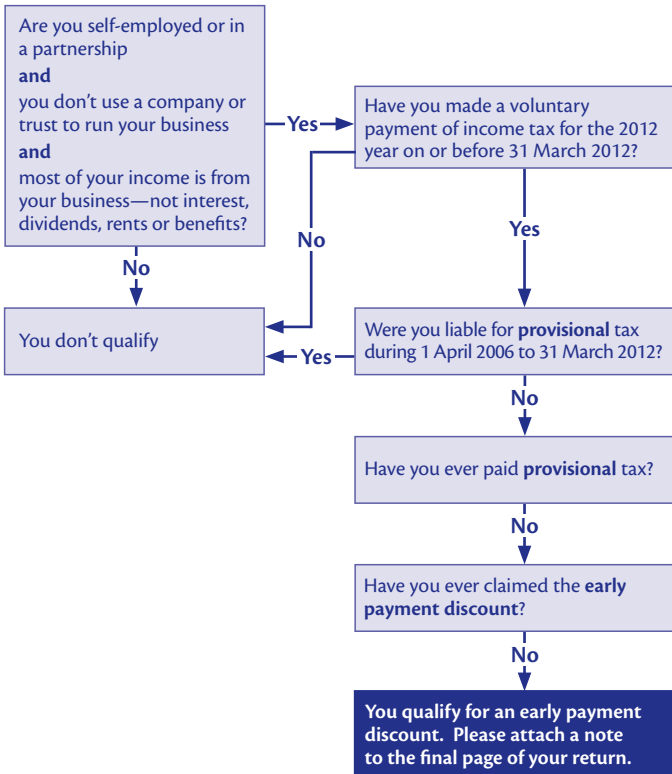
- are new in business, and
- haven't yet begun to pay provisional tax, and
- in the case of a standard balance date taxpayer, have made a payment or payments on or before 31 March 2012 for income tax for the period 1 April 2011 to 31 March 2012.

The discount is calculated at the rate of 6.7% of the lesser of either:

- the amount paid during the year, or
- 105% of your end-of-year residual income tax

and is credited against your end-of-year tax bill.

To check if you qualify, work through the flowchart below.



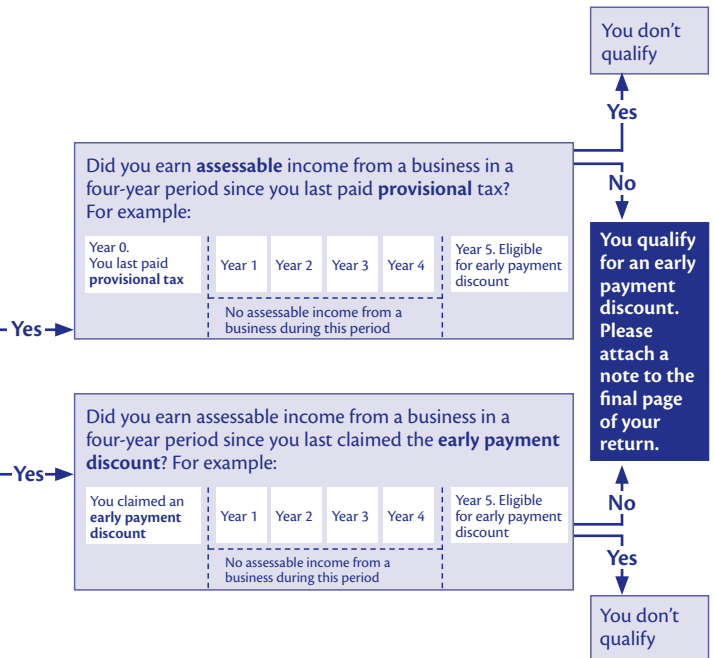
Terms we use

Provisional tax – this is tax paid in instalments during the year, based on what you expect your income to be, or what it was last year.

Assessable income – income that is not exempt income or excluded income (eg, a government grant to a business). Assessable income includes undeclared business income you may have earned (eg, cash jobs).

Year – as referred to in the diagram below, year means the standard tax year from 1 April to 31 March, unless you have an approved different balance date, in which case your income year will end then.

If you have any questions about your entitlement to the discount, please contact us.



Provisional tax

Question 30 Provisional tax

Provisional tax is generally payable because you earned income during the year that either:

- wasn't taxed, or
- was taxed at the wrong rate.

Provisional tax is usually payable in three instalments during the year. For example, if your 2012 residual income tax (RIT) (Box 27H of your return) is more than \$2,500, you'll become a provisional tax payer and will be liable to pay 2013 provisional tax.

For more information on provisional tax see our *Provisional tax Guide* (IR 289).

Initial provisional tax liability

You may have to pay provisional tax in your first year of business if:

- you stop receiving income from employment and then start receiving gross income from a taxable activity during the year, and
- your RIT in any of the preceding four tax years didn't exceed \$2,500, and
- your RIT for the current year exceeds \$50,000.

The date you ceased employment determines how many provisional tax instalments you may have to pay.

If this is the first time you're paying provisional tax please attach a note to the front page of your return telling us:

- the date you stopped receiving income from employment
- the date your business started.

Interest rules

Special rules apply to when interest may be charged if you have an initial provisional tax liability. If this applies to you, please read our *Provisional tax Guide* (IR 289).

Payment dates

Provisional tax is payable on the instalment dates that fall more than 30 days after the date you ceased employment. If you have to pay provisional tax, you must pay it in:

- three equal instalments if you ceased employment more than 30 days before the first instalment date
- two equal instalments if you ceased employment 30 days or less before the first instalment date and more than 30 days before the second instalment date, or
- one instalment if you ceased employment 30 days or less before the second instalment date.

For the income year ending 31 March 2013, you'll pay:

- three equal instalments (28 August 2012, 15 January 2013 and 7 May 2013) if you ceased employment before 28 July 2012
- two equal instalments (15 January 2013 and 7 May 2013) if you ceased employment between 29 July and 16 December 2012
- one instalment (7 May 2013) if you ceased employment on or after 16 December 2012.

Standard provisional tax payment dates

If you have a standard balance date of 31 March your payment dates are usually:

First instalment	28 August 2012
Second instalment	15 January 2013
Third instalment	7 May 2013

Non-standard balance dates

If your balance dates differ from 31 March, your payment dates are the 28th of the month every 5th, 9th and 13th month following the balance date. For example, if your balance date is 30 June, your first provisional payment is due 28 November.

If you're registered for GST and file your returns six-monthly, or you choose the ratio option, these payment dates will alter. If this describes your situation please read our *Provisional tax Guide (IR 289)*.

Payment options

You have three options for paying provisional tax—the standard option (S), the estimation option (E) or the ratio option (R).

Standard option

Under this option, your 2013 provisional tax is your 2012 RIT (where it is more than \$2,500) plus 5%.

Note

If your RIT is over \$50,000 special interest rules apply to you—please read our *Provisional tax Guide (IR 289)*.

Use this worksheet to calculate your 2013 provisional tax using the standard option (S)

Copy your RIT from Box 28H of your return to Box 1.	1 ▶ \$.	
Multiply Box 1 by 0.05 (5%). Print your answer in Box 2.	2 ▶ \$.	00
Add Box 2 to Box 1. Print your answer in Box 3. Box 3 is your 2013 provisional tax.	3 ▶ \$.	00

Copy it to Box 30B of your return and print S in Box 30A.

Divide the amount in Box 3 by the number of times you pay provisional tax each year to get the amount you must pay for each instalment. Record this on page 41.

If you're filing your return after 28 August 2012 your instalment amounts may be different. Please read our *Provisional tax Guide (IR 289)*.

Estimation option

Anyone can estimate their provisional tax. If you expect your 2013 RIT to be lower than your 2012 RIT, estimating will keep you from paying more than you have to.

Your estimate must be fair and reasonable at the time you make it, and at each instalment date. You can be charged a penalty and/or interest if you don't take reasonable care when you estimate your provisional tax.

If you've chosen to pay your 2013 provisional tax using the standard option, you can still estimate your provisional tax any time up to and including your final instalment date. Once you've chosen the estimation option you can't change back to the standard option in that income year. You can re-estimate any number of times up to and including your final instalment date. Your last estimate becomes final at this date.

Use this worksheet to calculate your 2013 provisional tax using the estimation option (E)

Print your estimated 2013 income in Box 1.

1 ▶ \$.

Work out the tax on the amount in Box 1 (see page 24). Print your answer in Box 2.

2 ▶ \$.

Print your estimated 2013 credits, eg, tax credit, PAYE deductions, in Box 3.

3 ▶ \$. 00

Subtract Box 3 from Box 2. Print your answer in Box 4. Box 4 is your 2013 provisional tax.

4 ▶ \$. 00

Copy Box 4 to Box 30B of your return and print E in Box 30A.

Divide the amount in Box 4 by three to get the amount you must pay for each instalment. Record this on page 41.

If you're filing your return after 28 August 2012, your instalment amounts may be different. Please read our *Provisional tax Guide* (IR 289).

Ratio option

If you're GST-registered you may qualify to use the ratio option to calculate your provisional tax.

Only enter "R" at Box 30A if you've already elected to use the ratio option. Your application to use the ratio option must be made by phone or in writing before the beginning of the income year you want to use it in.

If you've already elected to use the ratio option and want to continue using it enter "R" at Box 29A.

Read our *Taxpayer obligations, interest and penalties (IR 240)* and *Provisional tax Guide (IR 289)* for more information.

Question 31 Is your return for a part-year?

Read the situations listed in Question 31 in your return. If any apply to you, tick the "Yes" option, then tick the situation that applies to you and fill in the start and end dates of the return period.

Question 33 Notice of assessment and declaration

You must read the declaration and sign the return as being true and correct.

Self-assessment by taxpayers

Taxpayers are required to assess their own liability as part of meeting their return filing obligations. We may amend your assessment if a correction is required.

If you dispute our assessment please read our factsheet *If you disagree with our assessment (IR 778)*. The four-month period for you to issue a notice of proposed adjustment (NOPA) to your self-assessment will start on the date Inland Revenue receives your return.

Are there any penalties?

You may face penalties and prosecution if you:

- are required to put in a return but don't
- give false or misleading information (including not showing all your income)
- leave out details on purpose so the information is misleading
- file your return late.

Paying your tax

If you have tax to pay, you must pay it by 7 February 2013. If you have a tax agent and a standard balance date, you may have until 7 April 2013—if this applies to you, please contact your agent. You can pay earlier if you want to.

If you haven't received a statement from us by the last day for payment, please pay the amount you've calculated. When you receive a statement of account showing the amounts we've calculated, check them against your figures. If you have any questions please contact our Non-resident Centre—see page 3.

How to make payments

Go to **www.ird.govt.nz** or call us on 0800 227 771 for payment option details. Use these keywords for the payment option you want to use:

- making electronic payments
- Westpac payment by cheque or electronically
- by using our drop box.

For full details on payment options go to **www.ird.govt.nz** (keywords: making payments) or read our guide *Making payments (IR 584)*.

Late payment

We will charge you interest if you don't make your tax payment by the due date. We may also charge you a late payment penalty if you miss a payment, but if you have a good payment history with us we may contact you before we do this.

If your tax remains unpaid, we'll charge an initial 1% late payment penalty on the day after the due date. We'll charge a further 4% penalty if there's still an amount of unpaid tax (including penalties) seven days after the due date.

Every month the amount owing remains unpaid after the due date we'll charge a further 1% incremental penalty.

Interest and late payment penalties are not charged on outstanding amounts of \$100 or less.

Arrangements

If you're unable to pay your tax by the due date, please call us. We'll look at your payment options, which may include an instalment arrangement, depending on your circumstances. Arrangements can be agreed on, before or after the due date for payment. There are greater reductions in the penalties charged if the arrangement is made before the due date.

For more help

See our guide *Taxpayer obligations, interest and penalties (IR 240)*.

Your record of payment

When you've worked out how much you have to pay, write the amounts on the schedule on page 41. Keep the schedule as your record so you don't miss a payment.

Payment schedule

These due dates may vary if you have a non-standard balance date or if you have a tax agent.

	Amount	Date payable
2012 income year		
Tax to pay (Box 28) of your return)	\$ <input type="text"/>	7 February 2013
2013 income year		
Total provisional tax (Box 30B of your return)	\$ <input type="text"/>	
First instalment (one-third)	\$ <input type="text"/>	28 August 2012
Second instalment (one-third)	\$ <input type="text"/>	15 January 2013
Third instalment (one-third)	\$ <input type="text"/>	7 May 2013

Services you may need

Need to talk to us?

You can call us on these numbers:

General tax, tax credits and refunds	0800 227 774
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 377 771

We're here to take your call between 8 am and 8 pm Monday to Friday and Saturday between 9 am and 1 pm. Remember to have your IRD number with you when you call.

For more information go to www.ird.govt.nz (keywords: contact us).

Customer service quality monitoring

As part of our commitment to providing you with a quality service, we record all phone calls to and from our contact centres. Find out more about this policy or how to access your recorded information at www.ird.govt.nz

0800 self-service numbers

This service is available seven days a week (anytime, except between 5 am and 6 am) for a range of self-service options. Remember to have your IRD number with you when you call.

For personal information, such as account balances, you'll also need a personal identification number (PIN). You can get a PIN by calling 64 4 978 0775 and following the step-by-step instructions.

Order publications and taxpacks	64 4 978 0767
Request a summary of earnings	64 4 978 0765
Request a personal tax summary	64 4 978 0770
Confirm a personal tax summary	64 4 978 0769
All other services	64 4 978 0775

Nominating someone to act on your behalf

Normally, we can't discuss your Inland Revenue records with anyone except you. But if you want someone else to have access to your information and act on your behalf, go to **www.ird.govt.nz** (keyword: nominate), or call us on 0800 377 774. Remember to have your IRD number with you when you call.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your liabilities or your entitlements under the Acts we administer.

We may charge penalties if you don't.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them
- Statistics New Zealand (for statistical purposes only).

If you ask to see the personal information we hold about you, we'll show you and correct any errors, unless we have a lawful reason not to. Call us on 0800 377 774 for more information. For full details of our privacy policy go to **www.ird.govt.nz** (keyword: privacy).

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it. You can call the staff member you've been dealing with or, if you're not satisfied, ask to speak with their team leader/manager. If your complaint is still unresolved you can contact our Complaints Management Service. For more information go to **www.ird.govt.nz** or call us on 0800 274 138 between 8 am and 5 pm weekdays.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process. For more information, read our factsheet, *If you disagree with an assessment (IR 778)*.

