



MAY 2017 UPDATE

Beautiful Muriwai Beach

FROM OUR OFFICE

BANKLINK / MYOB

For those Clients who were using Banklink, we have now upgraded these accounts to MYOB, which is a more user friendly programme and has more extensive operating facilities.

For GST, the February/March payment which is due on the 7th May, will still be on Banklink, however, MYOB will take over from 1st April so the GST for the next period (April/May, due on the 28th June) will be on MYOB.

Tanya is handling all of the details associated with this upgrade, she will be calling all Clients during the month of May to make sure the transition goes smoothly.

If you are having any difficulties or need any help in working with MYOB, please feel free to contact Tanya directly and she can answer your queries by phone or email, or, she is also very happy to make a personal call to your premises to help in working with, understanding and operating the system.

Tania's details are : PH 09 412 9902 ext 8, or EMAIL - tanya@kts.co.nz

KUMEU TAXATION SERVICES/ KTS CHARTERED ACCOUNTANTS

Following recent rebranding and restructuring of our Company from Kumeu Taxation Services to KTS Chartered Accountants Ltd, we are now closing down the previous Company (Kumeu Taxation Services) as all operations have now been transferred to KTS Chartered Accountants Ltd.

Changes of this kind are required to be notified publicly and advertised in the local newspaper, so if you notice this publication please be assured that there is nothing to be concerned about, we are simply following the due process of the Law and this will not affect any of our Clients in the future.

Our commitment to our Clients and the services that we offer will continue just as strongly as we move into the future as KTS Chartered Accountants Ltd.



Tax Calendar

May 7th 2017

- 3rd instalment of 2017 Provisional Tax (March balance date)
- GST for period ending 31st March 2017

TAX DEDUCTIONS ON FOOD AND DRINK

Inland Revenue has informed us it considers the supply of all food and drink, whether in the course of entertainment or not, is tax deductible only to the extent of 50%.

Thus, under this new interpretation, if you give your client a bottle of wine or a food hamper you can no longer treat this as a fully tax deductible cost.

If you want a 100% deduction, think of something different such as a bunch of flowers or something else which cannot be consumed.



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Buying a new computer

If you are thinking of buying a new computer, here are a few helpful tips to think about before you buy.



- Consider why you are buying. If the computer is more than three years old (a good rule of thumb), it's probably time to upgrade. But if everything is working fine, keep your money. Most operating systems can be upgraded for free online, so make sure you've got the latest. If the new system slows down all your programs, then you'll need to consider installing more RAM, or getting a new computer.
- If you decide to buy a new computer, you'll future-proof yourself by getting as much RAM as you can with the purchase. It will cost you more than the basic computer, but it will make a difference to efficiency.
- Disk space (storage capacity) - the more you have, the more you can store. Consider what you store most. Photographs and videos downloaded from your smart phone or digital camera can chew up space. Complicated programs, such as MS Office and design programs, can also take a lot of space, but most files, such as Word, take minimal space.
- If you're into gaming (or your kids are and they use your computer), a high-end video card is important.
- Do you need a desktop computer, a laptop or a tablet. You might find the flexibility of a laptop or tablet useful, but if you're mostly desk-bound, nothing beats a robust desktop computer.

Whatever your considerations, talk to the salespeople about the above points and make sure you understand what they're telling you. If you feel you're getting a sales pitch more than information, go somewhere else.

Gift vouchers

If you are in retailing, do you increase your sales by offering gift vouchers?



Gift vouchers usually have an expiry date. Be generous with the time you allow for redeeming the voucher, or have no expiry date, as this could give you a competitive advantage.

Consumer NZ last year called on all retailers to have no expiry dates on vouchers as it said consumers were losing up to \$10 million a year. Countdown, Kathmandu and Noel Leeming responded positively and now have no expiry date.

It pays to keep a register of your gift vouchers so you know exactly which ones are outstanding.

Customers will often want to use only part of their voucher at any time. Have a system for carrying forward the unused portion of the gift.

Deducting tax from payments to a contractor

Generally, if someone working for you appears to be an employee, they probably are for tax purposes.

There are a whole lot of tests you can apply but if you supply the equipment, premises, agree on hours of work etc you have probably got an employee.

Ideally, if the person is a contractor you should have a "contract for service" prepared by an employment law specialist that reflects the actual arrangements.

It is important to get this right because if you get it wrong not only would you be liable for the PAYE and penalties etc you could have a claim for holiday pay and/or personal grievance!

Some clients also have problems determining whether they should deduct schedular tax. In this case the rule is simple: - If the occupation is listed as being subject to schedular payments, you deduct tax. If it is not listed you don't deduct tax.

You can find this list by clicking [HERE](#)

Charities

Inland Revenue is concerned because some charities do more than just carry out their charitable works. They run businesses. The department has no trouble letting the charity off paying Fringe Benefit Tax when an employee gets a benefit such as a car. It is concerned when the employee is not actually working for the charity so much as working for a business run by the charity. In future, there is to be an apportionment between mileage used for the charity and mileage used for the business. The business arm is to pay FBT. This change to the law has not yet occurred.

Business / Non-Profit