

Newsletter



Greetings from Armstrong Fleming

Wow, what a whirlwind the last few years have been at our firm! We've been on the move—literally—settling into our new premises in New Plymouth. We're not just changing addresses, we're changing the game with the implementation of digital signing and cloud-based accounting. Time seems to be flying by as we approach the midpoint of the financial year. With numerous changes from the Inland Revenue Department (IRD) impacting the accounting world, we want to ensure you're up-to-date with the latest developments. We encourage you to read through the updates and reach out to us with any questions or concerns.

Spotlight on Tax Changes

Navigating the Latest Tax Changes: A Comprehensive Guide

Tax Relief

Increasing personal income tax thresholds, if you're paid salary or wages you do not need to do anything — most people will see the extra pay in their payslips from 31 July. If an employer did not make the threshold change in time for 31 July, they can still make it at a later date and their employees won't miss out. Any extra pay will either be in a later pay or squared-up as part of the end of tax year process.

Residential Rentals

The bright-line test now applies to properties sold within 2 years, and the Property tax decision tool has been updated.

Extending the Independent Earner Tax Credit

The IETC has increased it will be available to eligible individuals earning between \$24,000 and \$70,000 per annum. IETC is a tax credit of up to \$20 per fortnight. Check the criteria on IRDs website.

FamilyBoost

Has been passed into law, and a decision support tool and authenticated calculator are available. You must have household income of less than \$180,000 a year. Eligible parents and caregivers will be able to claim up to 25% of their weekly childcare fees, or a maximum of \$975 every 3-months. Claims for FamilyBoost are for the household, not for each individual child.

Paid Parental Leave

Paid parental leave rates for eligible employees and self-employed people changed from \$712.17 to \$754.87 per week before tax. There is now a government contribution of 3% to KiwiSaver when a paid parental leave recipient contributes to their KiwiSaver.

Increasing In-Work Tax Credit and the Minimum Family Tax Credit

The base rate for the In Work Tax Credit increased from \$3,770, (\$72 a week) to \$5070, (\$97 a week). The new rate will update automatically and create a new entitlement period. If you're eligible, you would have received a Notice of Entitlement in late June. The yearly after-tax income to get Minimum family tax credit increased from \$35,204, (\$677 a week) to \$35,316, (\$679 a week).

Gambling Duty Registration

Offshore Gambling duty registration is available. Remote gambling operators are currently required to register and file GST returns in New Zealand if they provide more than NZD 60,000 of gambling services to New Zealand residents in a 12-month period. The duty would apply for services provided on or after 1 July 2024, at a rate of 12% of offshore gambling profits.

Fringe Benefit Tax

From 31 July 2024 where benefits are attributed to each employee, a change applies to how FBT is calculated. A new calculation field will be added between tax on remuneration and FBT payable — 'FBT on net income'. To get the tax, this new field takes the net income figure and applies the FBT rates table to it — in the same way that the tax on remuneration field is calculated. The change only applies to final quarter calculations — 4 January to 31 March, or any quarter that an employer ceases providing fringe benefits.

Making things easier

Accounting Programs

In today's fast-paced world, efficiency and ease of use are essential. We prefer our clients to be on a robust accounting system, as this significantly reduces costs associated with time management and record-keeping.

To provide you with the best options, we offer both MYOB and Xero, two leading accounting programs that cater to diverse needs:

- MYOB: Known for its comprehensive features and user-friendly interface, MYOB is ideal for managing your accounts with ease and efficiency.
- Xero: A cloud-based solution that offers real-time financial insights and seamless integration with other business tools, Xero is perfect for those who need flexibility and accessibility.

By using these systems, you can streamline your financial processes and focus more on growing your business. If you have any questions about MYOB or Xero, or need assistance with transitioning to these platforms, our team is here to help.

On the home front

Exciting Staff Changes & New Faces At Our Firm

We've bid a fond farewell to some beloved long-standing team members as they embark on their well-deserved retirements. But don't worry, we have welcomed three new talented colleagues.

Over in our Waitara office, Patsy has been holding down the fort for years, and now she's got some fantastic company. When you visit the Waitara office, you'll also see Sarah and Sue, who have joined our team.

In New Plymouth, we are delighted to welcome Andrea and Alenka, our newest additions. They're joining forces with our seasoned professionals Amy, Ashlee, Janine and Heidi.

As we move into the second half of the financial year, we want to wish you all the best for your ongoing success and growth. If you ever need assistance, advice, or just a friendly chat, please don't hesitate to reach out. We're here to help you navigate any challenges and seize new opportunities. We look forward to continuing our work together!

Thanks for catching up with us,

Philip and the Armstrong Fleming Team.