

31 March 2025,

Well the year has started with a bit of a hiss and a roar, with signs of an improvement in the economy over the last year – lowering of interest rates has helped. With further rate reductions anticipated this year, it will get better. I've been told that in New Zealand the resurrection of the economy starts from the South, so that is good news for us!

WorkRide (workride.co.nz) is a New Zealand-based ride-to-work benefit scheme aimed at encouraging more people to ride and lead healthier lifestyles.

Through the scheme, employees can receive a substantial discount on the cost of a new bike, e-bike, or scooter by using salary sacrifice and tax exemptions.

IRD will be significantly increasing their presence in the audit area this year. They have new software, and with the added advantage of AI, their reach is expected to be 8 times greater than what they are already doing.

They are looking specifically for hidden economy, people not declaring income – any money you receive from an intention to make profit is taxable. They are looking at people who own more than one property and are receiving rents and not declaring these. They are also looking at Brightline property transactions, speculators, and developers. If you have anything you are concerned about, please talk with us now.

Just a reminder the trust tax rate has increased from 1 April 2024 to 39%. It will now match the top individual tax rate of 39%.

From 1 April 2024 the depreciation claim on commercial buildings was removed.

Interest payment deductions on residential rentals that are not considered new builds will be 80% for year ended 31 March 2025, this will then increase to 100% for year ended 31 March 2026.

The Brightline test has changed; from 1 July 2024 it went back to 2 years, so please check with us first before you decide to sell any property other than your own home – e.g. residential rental property, section, bach, etc. If you have not owned the property long enough you will be taxed on any profit made from the sale, so make the time to give us a call.

The minimum wage, as from 1 April 2025, is \$23.50 for adult employees 16 years and over.

If you are unable to pay your income tax by the due date, please tell IRD or contact us so that we can apply for an arrangement to pay. Interest and penalties will still apply though. Please take care when making payments to IRD, inserting the correct year and IRD # is very important. If entered wrong – our office could ask you to pay an incorrect amount of tax. IRD will charge interest and penalties. If in doubt, please confirm your payment details with us.

If you think your profit for 2025 is more than last year, lets get onto your books sooner rather than later to ensure you know what your tax payments are going to be well ahead of the due date.

Likewise, if you think your profits for this year will be less than last year, let us do your income tax calculations as soon as possible. If you get your information into us promptly, we could get these prepared prior to 7 May (being the last payment date for 2025 provisional tax). This will also reduce your tax payments for the coming year.

If you have a student loan, please refer to IRD for outstanding debt balance and any repayments due as we do not monitor this.

For your convenience we have two offices, our main office is in Riccarton and our second office is in Conway Lane, Rangiora.

We love all your referrals – please keep them coming.

Attached are details of the information we need at 31 March 2025. Please have a look at the Tax Return 2025 Info checklist and if you have rental properties also take a look at the Rental Schedule Questionnaire and take action as necessary. The earlier your information is in, the quicker it gets processed and then you will know your tax commitments for the coming year.

ABOUT US!!!

I believe we offer the best service in Canterbury – always available, prompt response to any enquiries, work performed accurately and in a timely manner, always pleased to answer any questions, we have never had a stupid one yet. The only stupid ones are the questions that people don't ask.

We want your feedback. Like most people we love hearing how great we are and how fabulous our staff are, but if we haven't lived up to your expectations let us know that too.

We want to be your first call with any financial questions, whether you are buying or selling assets or a business, looking for mortgage finance, anything at all. We are always pleased to hear from you, and we would like more clients like you!

Remember we are a small business too, same as you, chances are we have come across the same issues that you are dealing with. We can help! We don't claim to know everything but over the years we have developed a trusted network of advisers that we can share with you. These include: database, marketing advice, insurance/superannuation/ACC, occupational health & safety, legal advice, employment contracts and law, finance, credit control/debt collection, business & property valuations, property management, website development, payroll management, mentor/business/life coach, computer hardware & software training/support, importing/exporting, trusts, strategic positioning, grooming your business for sale – the list goes on.....

We do have serviced offices next door to us, which are available for rent. If you find yourself needing to rent office space, please contact us.

Owning a business is never easy. It is when things become more difficult that the opportunities arise. Look for the opportunities in your business. As they say, if it were easy, everyone would be doing it.

Stay well and see you soon.

Raelene