



MAKING TAX SIMPLER

BETTER BUSINESS TAX CONSULTATION

makingtaxsimpler.ird.govt.nz

Inland Revenue and the Treasury are seeking public feedback on the technical details of the business tax proposals announced by Government.

An officials' Issues Paper has been released on the 16 measures proposed by the Government. One of the proposals, the Accounting Income Method (AIM), is the subject of a more detailed discussion through an online forum.

Submissions on the Issues Paper and online forum close on **30 May 2016**.

The key technical questions that Inland Revenue and the Treasury are seeking feedback on are:

CHANGES TO PROVISIONAL TAX TO INCREASE CERTAINTY

- Have we got the safe harbour rules right?
- How should interest apply to reassessments?

MORE TIMELY PAYMENT OF PROVISIONAL TAX

- Have we got the detail of AIM and using current year accounting income to calculate provisional tax payments right?
- Should we extend paying tax on behalf of related parties to other types of incomes or entities?

MAKING MARKETS WORK BETTER THROUGH TAX TRANSPARENCY

- Have we got the safeguards for sharing information with the Companies Office and credit reporting agencies right and are people comfortable with the tests for when we will share?
- What should the criteria be for what constitutes "significant tax debt" to be shared with credit reporting agencies?

SELF-MANAGEMENT AND INTEGRITY

- Have we got the balance right with the proposed 10% minimum withholding rate?
- Have we got the definition of a labour-hire firm right?

SUPPLEMENTARY TAX SIMPLIFICATION MEASURES

- Have we got the technical detail of these simplification measures right?

MAKING THE SYSTEM FAIRER

- Have we got the detail of how we plan to change the incremental late payment penalty right?