

MAKING TAX SIMPLER

BETTER DIGITAL SERVICES FOR A BETTER TAX SYSTEM

makingtaxsimpler.ird.govt.nz

I'd like to get your views on proposed changes that use digital technology to make it simpler and faster for New Zealanders to pay their taxes and receive their entitlements.

Every day we interact with the tax system millions of times – employers paying PAYE deductions from their staff, the self-employed paying their income tax, banks deducting tax from interest payments, businesses collecting and paying GST and other taxes. People also pay their student loans and child support obligations and a host of other transactions. The Government thinks all of these transactions could be done more efficiently. I believe the best way to deliver better tax services to most of us is by using electronic and internet technology.

New Zealand has a high rate of internet use so it makes sense to me to make greater use of digital services. The changes the Government is proposing would allow New Zealanders to spend less time on taxes and compliance, and more time on living their lives and growing their businesses.

But the tax system belongs to all of us, and the proposed changes to the way tax is administered by Inland Revenue could affect you. The Government would like to hear your views on these proposals, and while you consider them, ask yourself the following questions:

- If Inland Revenue offered digital services which met your needs, would you use them?
- Who do you think should be helped to use digital services, and how?

- Should some individuals and businesses be required to use digital services? Who?

As Minister of Revenue, I care about the tax system and so should you. Taxes pay for the public services that are important to us: schools, hospitals, social welfare, roads, wildlife conservation, police and so much more.

But there's more to it. An efficient tax administration is critical to our country's economic and social wellbeing. Our tax system is one of the best in the world and was an important factor in New Zealand's strong economic recovery after the recession.

I want to make sure we build on that. Please consider the proposals over the page then have your say at makingtaxsimpler.ird.govt.nz.



A handwritten signature in black ink, appearing to read 'Todd McClay'.

Hon Todd McClay
MINISTER OF REVENUE

THE PROPOSALS

- Inland Revenue would work with third parties such as banks and business software developers so that tax interactions are built into a customer's regular transactions rather than managing tax separately at specific times of the year.
- Assistance would be provided to those who do not have access to digital technology, or the skills or knowledge to use it. Non-digital services will need to be provided for those who still cannot use digital services.
- A process would be developed for moving those who potentially could use digital for some services, in circumstances where there would be wider benefits from them using digital services.

HAVE YOUR SAY

Go to makingtaxsimpler.ird.govt.nz to find out more about these proposals and have your say.

These proposals will need to be implemented by changes to law, as well as system changes at Inland Revenue. If the proposals are passed by Parliament, Inland Revenue will communicate the changes to New Zealanders well in advance of the changes coming into effect.

THE BIGGER PICTURE

Changes to tax administration are planned over a number of years. You can find out more about the bigger picture and have your say on a range of other topics in the future by visiting makingtaxsimpler.ird.govt.nz



MIKE: Individual

Mike is 66 and retired, but still helps out at his former employer occasionally. He has reinvested his KiwiSaver funds in a range of New Zealand listed shares and bonds, and term deposits.

What if Mike's interest and dividends were already included in his online tax return? He could simply check everything was correct, and confirm and complete his return at the click of a button.



ZACK: Small business

Zack wants to establish an adventure tourism business and will employ three staff. Currently Zack would need to register separately for income tax, GST and as an employer. What if Zack could buy a "business in a box" accounting software package that would automatically register his new business with government agencies including Inland Revenue?



MARY: Medium/Large business BEN: Individual

Mary runs a medical supplies company with 140 staff. Ben works for the company on a casual basis when they need an extra hand. He is repaying his student loan and is entitled to Working for Families tax credits.

What if Mary's payroll software automatically sent Ben's information to and from Inland Revenue as part of each weekly pay cycle, with his student loan repayments and Working for Families entitlement being automatically calculated and updated? Mary's job would be much easier and Ben would no longer have money owing or a refund due at the end of each year.

CONSULTATION TIMELINE

Green Paper on Tax Administration
March 2015

Better digital services
March 2015

Rules for tax administration
2015

Easier information provision for PAYE/GST
2015

Withholding taxes on labour income
2015

Investment income information
2016

Individuals' interactions with IR
2016

Business taxation
2016

Social Policy
2017



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