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**The exciting world
of GST**



Introduction

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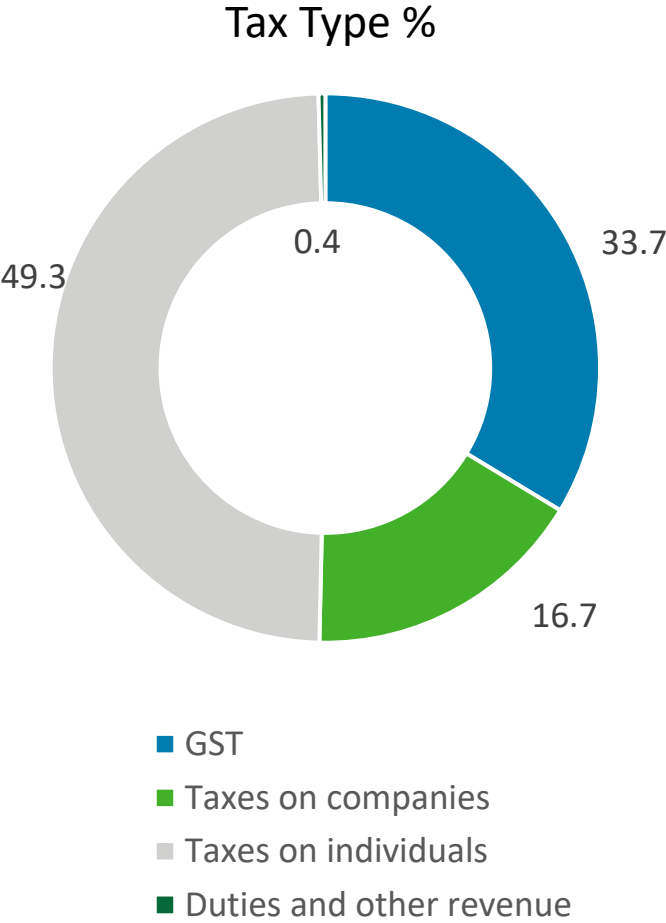


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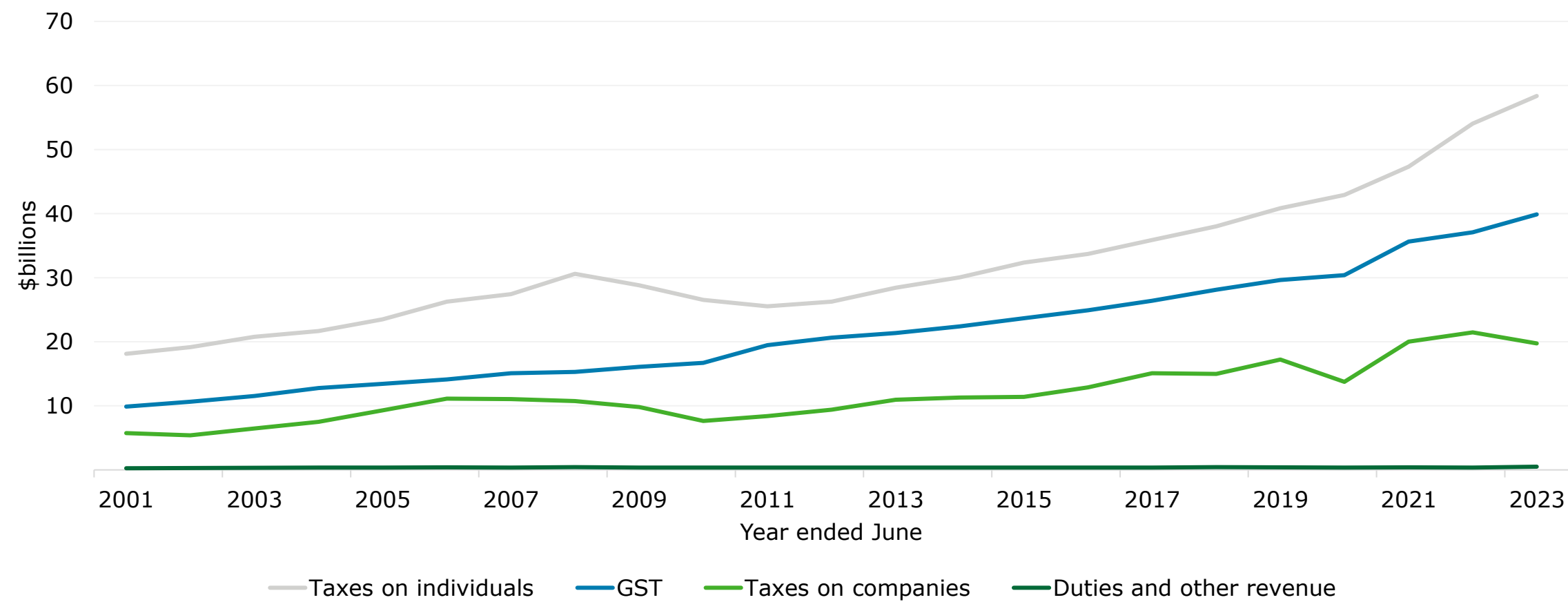
Tax Collected

| Tax Type | 2023 |
|--------------------------|-------|
| GST | 33.7% |
| Taxes on companies | 16.7% |
| Taxes on individuals | 49.3% |
| Duties and other revenue | 0.4% |

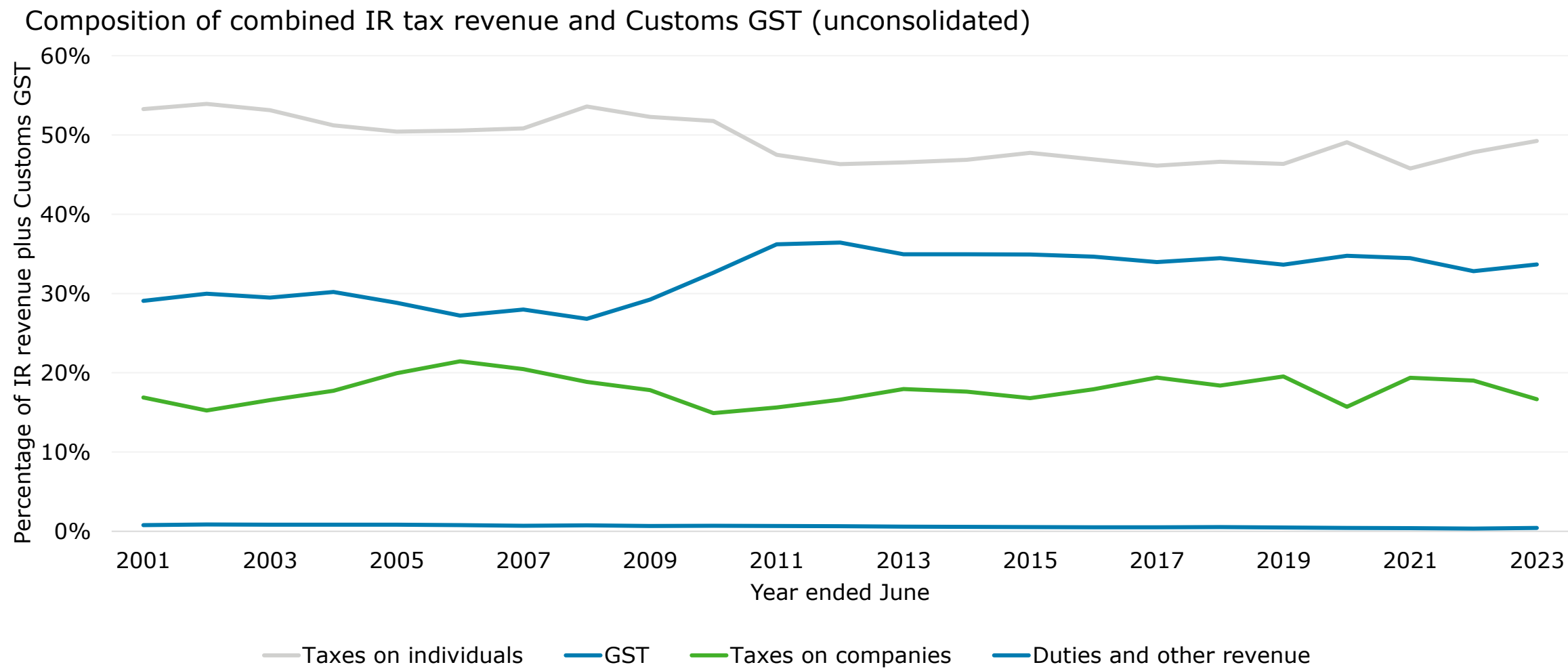


Tax Collected

IR tax revenue and Customs GST collected from 2001 to 2023 (unconsolidated)

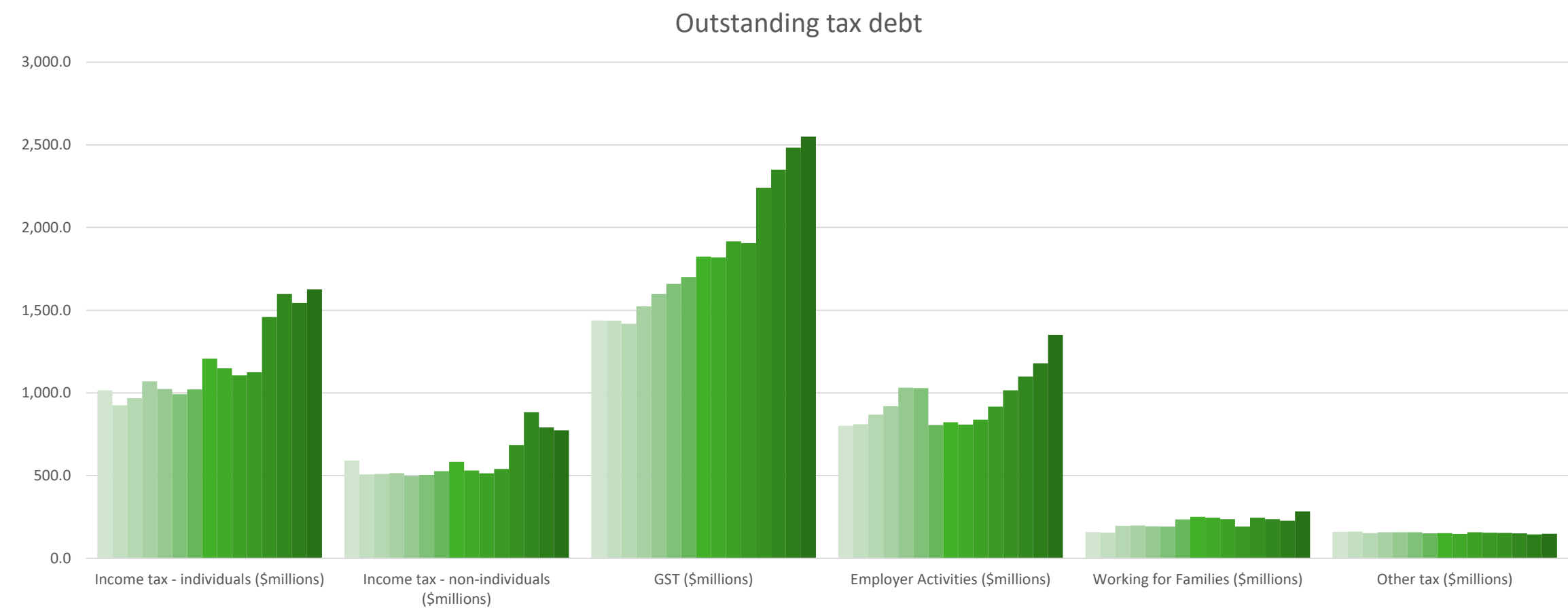


Tax Collected



Tax Debts Outstanding

By quarter from September 2020 – March 2024



Legislation changes

Legislation changes

- What is new or has changed?
- Platform economy rules – App Tax determination update
- OECD information reporting rules
- E-invoicing



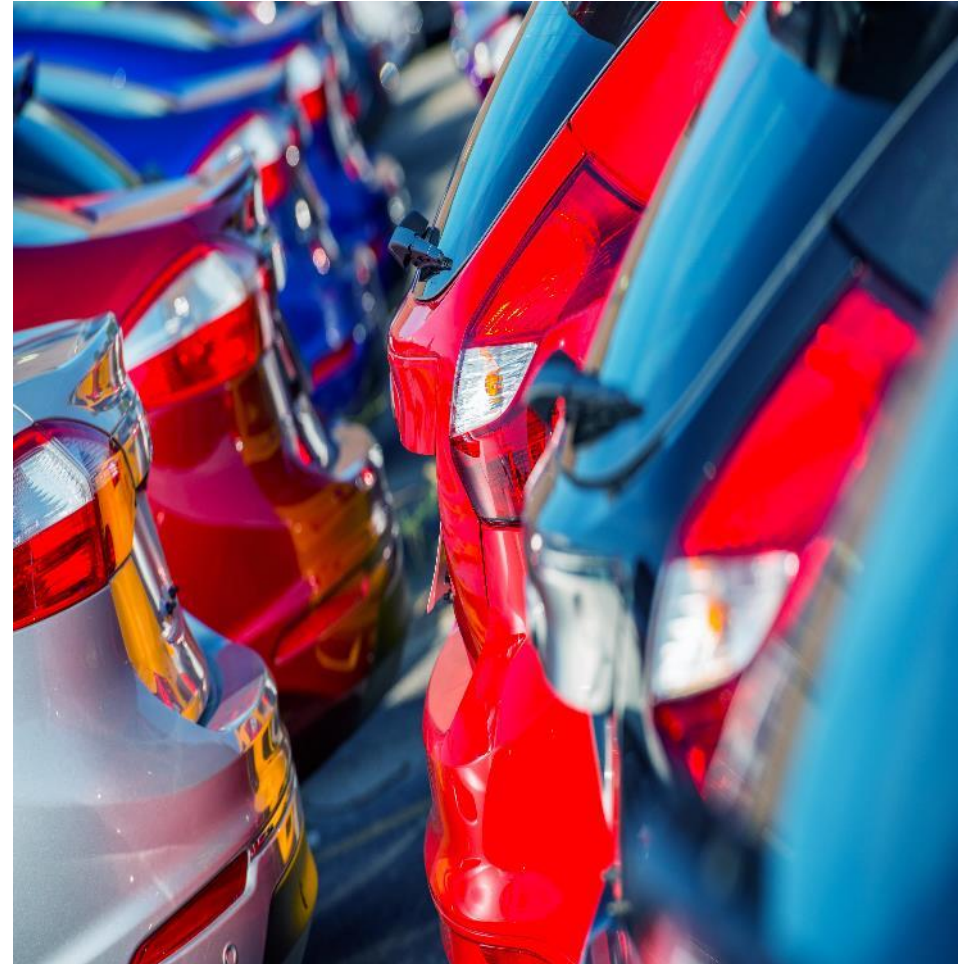
Platform economy changes from 1 April 2024

GST on listed services

- Short stay accommodation
- Ride sharing
- Food and beverage delivery

Things to be aware of...

- Flat rate credit scheme
- Opt-out provisions (but really opt-in...)
- New election rules



Asset opt-out elections

- Opt-out provisions
- Holiday house / Farmhouse
- Must be made before 1 April 2025



OECD information reporting rules from 1 January 2024

Certain New Zealand resident platforms

- Online marketplaces
- Sellers on marketplaces that receive income

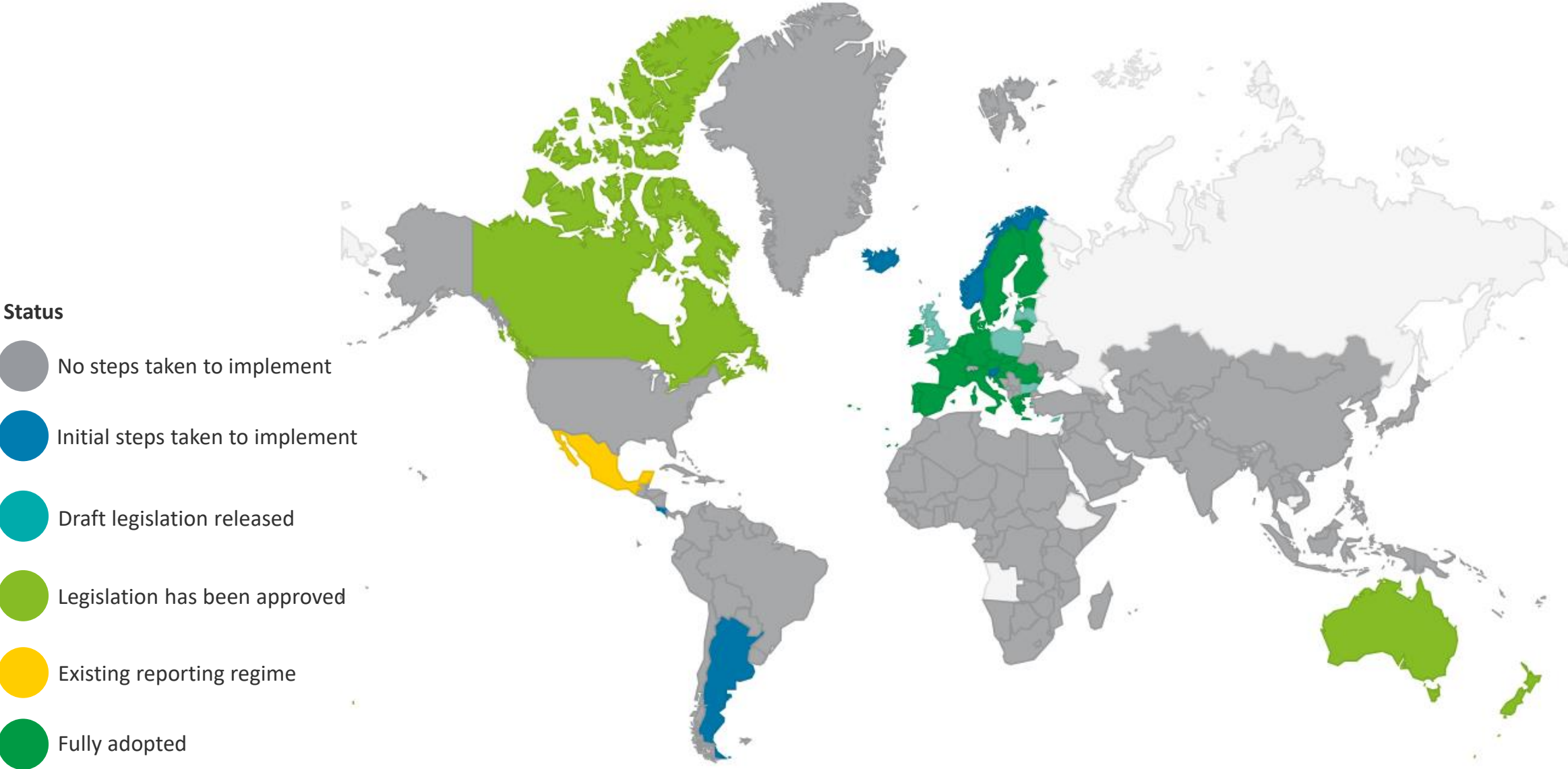
Providing services

- Immoveable property
- Personal services
- Sale of goods*
- Rental of any mode of transport*

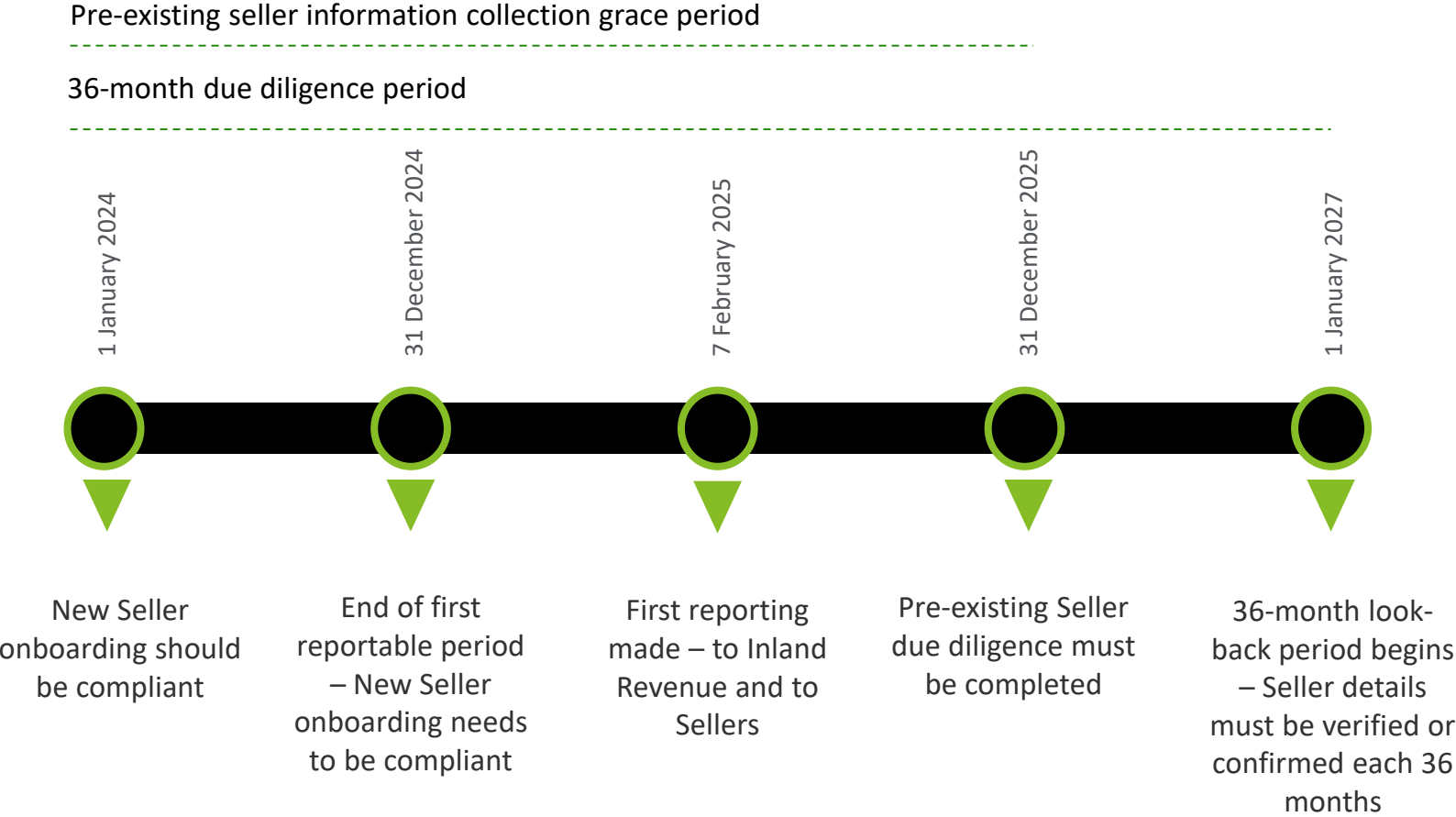
*Scope may be extended to goods and rental of transport



Global implementation ... (as at 2023)



Reporting periods

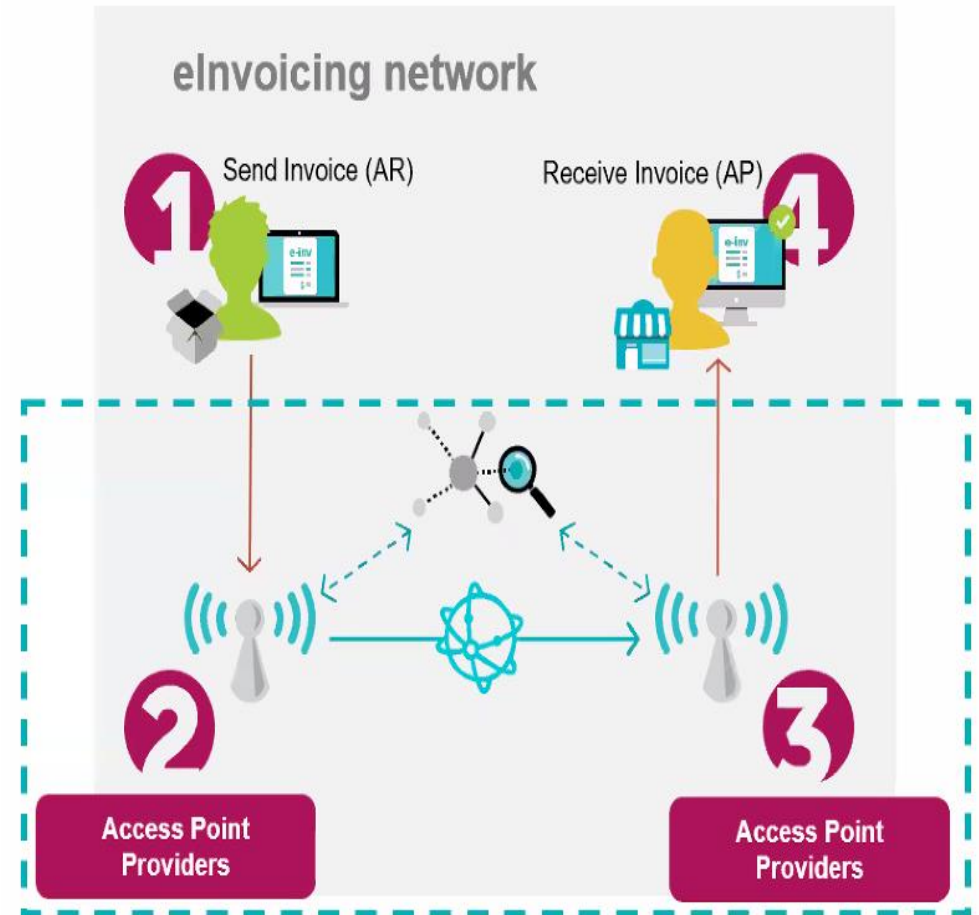


E-Invoicing

- Invoices go directly between suppliers' and buyers' systems (even if different systems)

Advantages of e-Invoicing

- Faster payment and improved cash flow
- Reduced admin and processing cost
- Direct and secure information
- Improved financial visibility
- Universal connection
- Government (NZ) targets



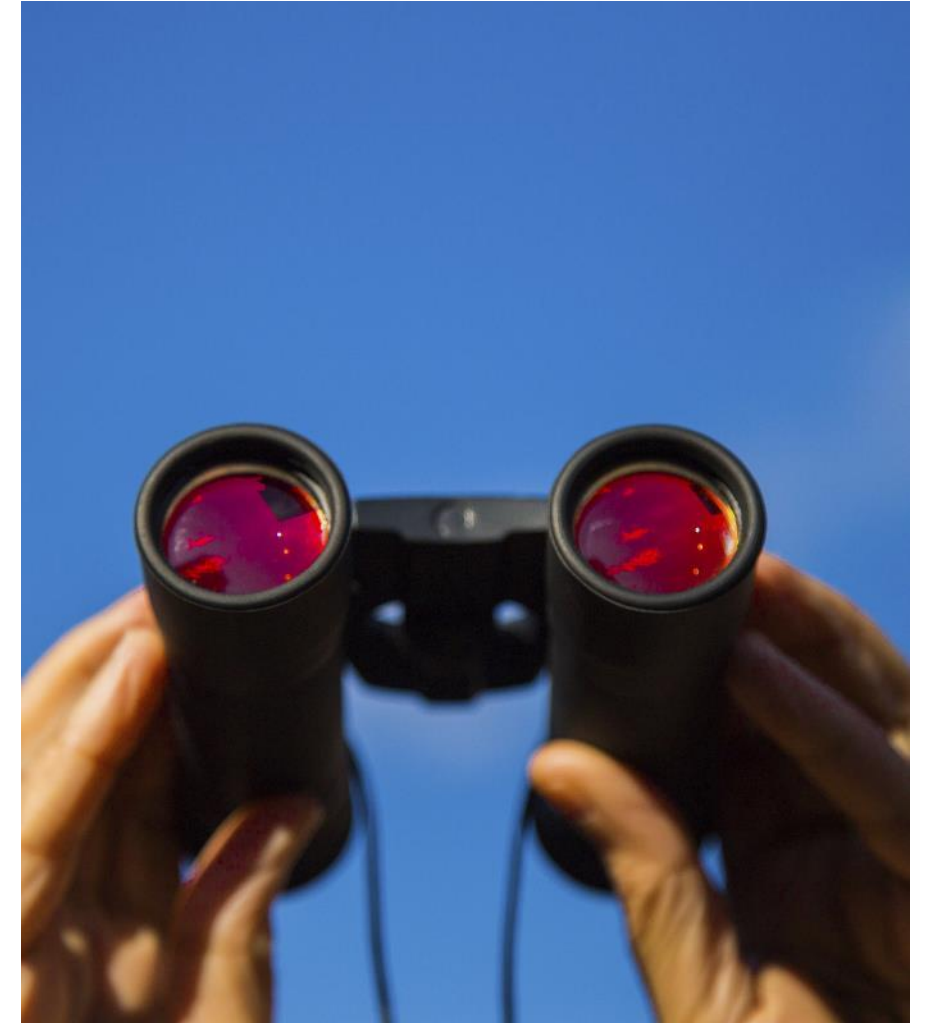
E-Invoicing



Inland Revenue activity

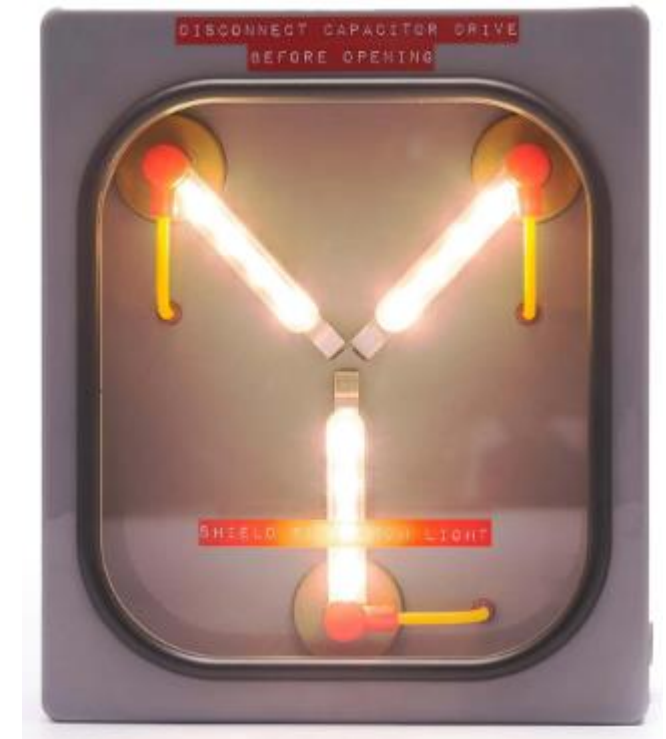
What to expect from Inland Revenue

- Increased funding in Budget (+ \$29m per year) for “greater investment in tax **compliance**”
 - \$150m annual net revenue return expected
- Audit activity
- Other campaigns and areas of focus (BCP)
- Participating advisor



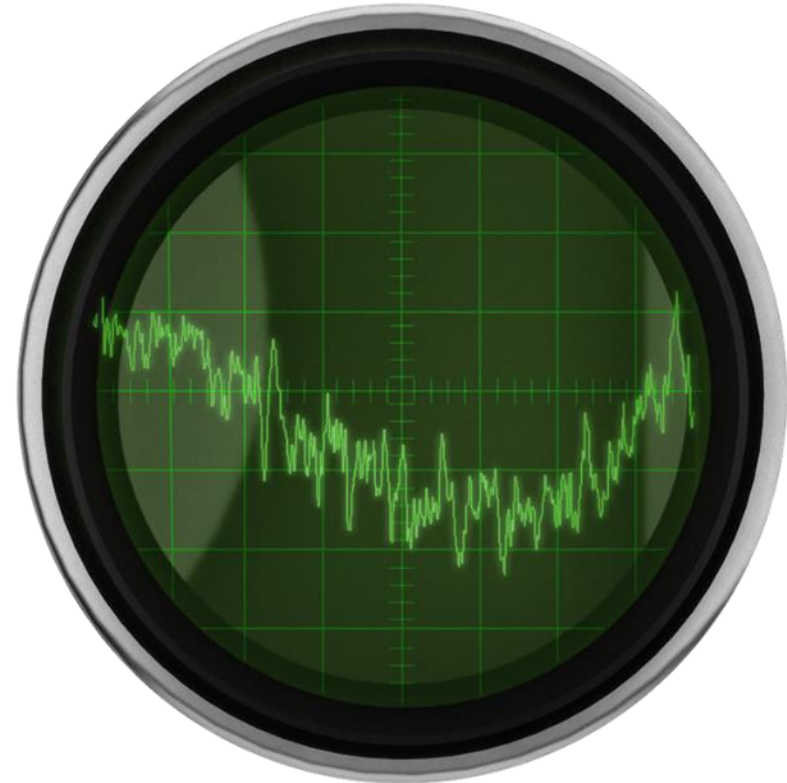
Time travel to 2014 and back

| Q | 2014 GST Questions | 2024 GST Questions |
|---|--|--|
| 1 | ...detailed explanation of your taxable activity... | ...detailed explanation of tax management function... |
| 2 | ...copies of 5 biggest tax invoices claimed... | ...outline procedures for processing TSI and tax codes used... |
| 3 | ...workings for your GST return... | ...walk-through for income and expenses (including details of batch postings and system intergrations)... |
| 4 | ...confirmation that your accounting system correctly records GST... | ...details and findings of the last independent 'health check' or review of your GST systems and processes... |
| 5 | ...please advise where the accounting records are kept... | ...please provide a chart of accounts and list the GST treatment/coding of transactions and explain the decision making process... |
| | (Average of 9 questions in total) | (Average of 22 questions in phase 1) |



Participating Advisor Pilot

- The participating advisor pilot is an alignment of review methodologies
- Pilot extended to 31 March 2025
- Under the pilot, Inland Revenue has agreed that it will not reperform a review if a taxpayer chooses to provide those findings instead

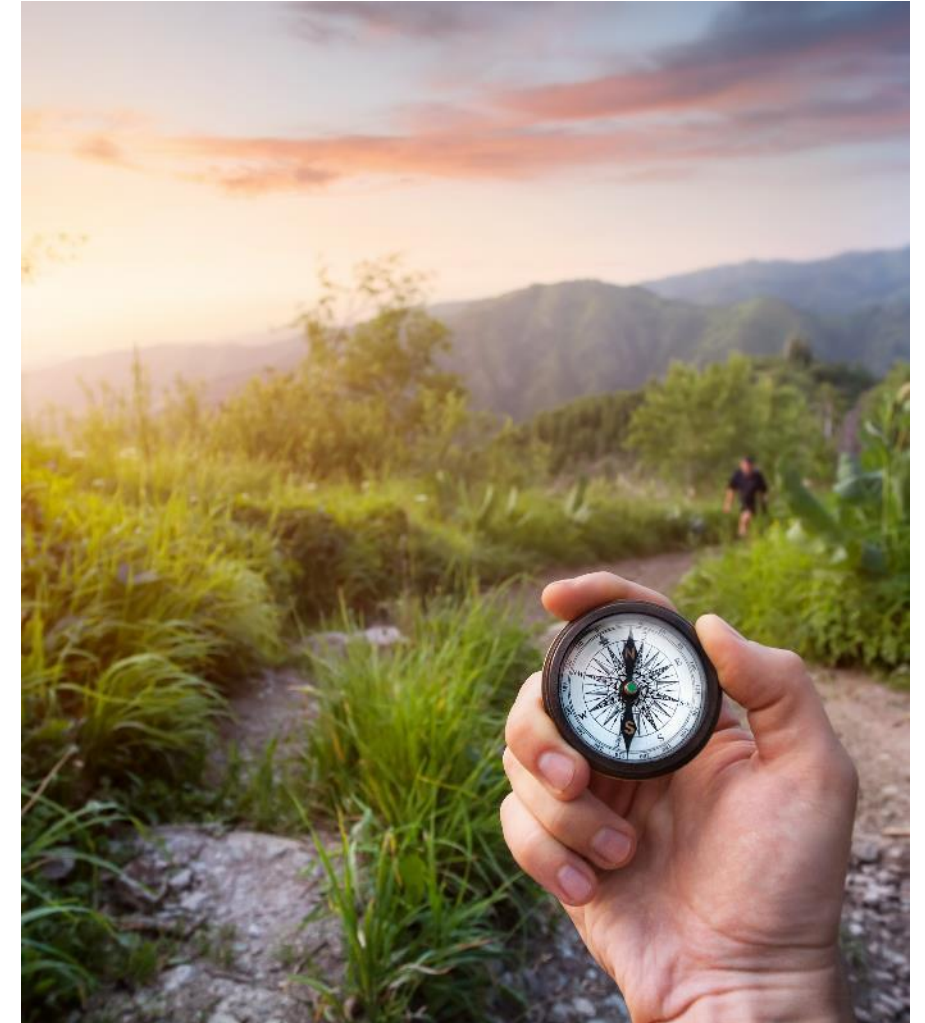


Inland Revenue Work Programme

What to expect in the next 12 months

Looking ahead

- Work plan (pipeline)
- Increased Inland Revenue audit activity
- Fund Management (GST treatment of funds management)
- GST apportionment



IR GST work programme 2023 - 2024

| Project no. | Title |
|--|--|
| Items where public consultation has closed | |
| PUB00356 | GST – Input tax – Registered members of unregistered unincorporated bodies |
| PUB00428 | GST – Supplies of properties used for transitional housing |
| PUB00427 | GST – Taxable activity – Subdivisions and small-scale property development – Update of item in TIB Vol 7, No 2 (August 1995) |
| Items we expect to send to public consultation next | |
| PUB00474 | GST – CZR rules – Supplies of standing timber and other crops |
| Items currently in progress | |
| PUB00468 | GST – Customs – Supplies to vessels temporarily in/visiting New Zealand |
| PUB00485 | GST – Forfeited deposits from cancelled land sale agreements |
| PUB00412 | GST – Foster care payments |
| PUB00486 | GST – Managed fund fees |
| PUB00413 | GST – Not-for-profit bodies – Supplies of donated goods and services (PIB) |
| PUB00473 | GST – Situations that are not bare trusts |
| PUB00476 | GST – Taxable activity |
| PUB00452 | GST and Income tax – Emissions Trading Scheme tax issues |
| Items not currently being worked on | |
| PUB00475 | GST – Liquidations |
| PUB00477 | GST – Updating public items for changes to GST apportionment and adjustment rules |
| Items published or closed since 1 July 2023 | |
| PUB00423 | GST – Court awards and out of court settlements – Update of IS3387 |
| PUB00424 | GST - Directors and board members providing their services through a personal services company |
| PUB00425 | GST – Grants and subsidies |
| PUB00355 | GST – Grouping – How the grouping rules operate |
| PUB00322 | GST – Grouping – Which entities can form a group |
| PUB00389 | GST – Unit title bodies corporate – Transactions between a body corporate and its members |



Questions?



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