



In tax talk bites, we briefly comment on items of interest to readers.

Inland Revenue to be closed from 18 April to 26 April

As part of the Stage 3 rollout of their new IT system (START), Inland Revenue offices, call centres and online services will be unavailable from 3pm on Thursday 18 April through to 8am on Friday 26 April. Inland Revenue have deliberately timed this outage to coincide with the Easter and ANZAC Day holidays which means only two working days are affected.

Tax returns due during this period will only be due on 26 April. Payment will be due as normal during this period. Any unfiled draft returns and correspondence will be deleted as part of the rollout.

Once complete, income tax and PAYE will be available on START. GST, FBT and NRWT are already available on START.

Bright-line test guidance released

In December, Inland Revenue released guidance on the bright-line test and its impact on subdivided sections and lifestyle blocks (available [here](#) and [here](#)).

For subdivisions, Inland Revenue considers the main home exclusion applies where more than 50% of the area of the land in the subdivision section has been used as a main home and the land has been used in that way for more than 50% of the time since the undivided land was acquired.

For lifestyle blocks, Inland Revenue considers the farmland exclusion will generally not apply because in most cases the land is not or cannot be used for a farming business. The main home exclusion will only apply where more than 50% of the area of the land has been used as a main home (including curtilage and other residential purposes) and the land has been used in that way for more than 50% of the time the seller owned it.

If you are considering selling a property and are concerned it may be subject to the bright-line test, please contact your Baker Tilly Staples Rodway advisor.

Fringe Benefit Tax loan change

The FBT rules have been amended so an overpayment of employment income will not amount to an employment-related loan subject to FBT. This also means interest will not need to be charged on this amount. This provision takes effect from the 2019/20 year.

With the fourth quarter FBT return due for filing by 31 May 2019, you may have queries about your FBT return. Your Baker Tilly Staples Rodway advisor should be able to assist with any queries you may have on FBT.

Research and development draft guidance released

In March, Inland Revenue released draft guidance on the planned research and development tax credit (available [here](#)). At 117 pages, the guidance is comprehensive and provides the framework for when the relevant legislation is enacted.

In previous editions of Tax Talk ([here](#) and [here](#)) we have discussed the research and development tax credit. If you consider your business may be eligible for the research and development tax credit, please contact your Baker Tilly Staples Rodway advisor.

When are payments received on time?

In March, Inland Revenue updated their guidance on when payments are received on time. The recent guidance was mostly unchanged from previous practice, apart from Inland Revenue no longer guaranteeing post dated cheques will be banked on the date shown.

As a reminder, payments are received on time when:

- For electronic payments, including debit and credit card payments – the amount is paid or direct credited into an Inland Revenue account by the due date
- For cash and EFTPOS payments at a Westpac branch – the amount is deposited by the due date
- For cheque payments – the cheque is delivered to an Inland Revenue office by the due date

Payments due on a weekend or statutory holiday are made on time when paid on the following working day. There are special rules around provincial anniversaries.