

## Merry Christmas 2011

*Wishing you and your families a very happy Christmas and holidays from all of us at Lee Holden & Coutts Chartered Accountants Limited*



### Christmas Hours

Thursday 22nd December will be our last day this year. We will re-open on Monday 9th of January 2012.

### GST due 15<sup>th</sup> January 2012

As the GST for the period ending 30th November is due on the 15th of January 2012, we ask that where we prepare this for you, please bring in your GST records no later than 14th December 2011 so that we can process this before Christmas.

### Provisional Tax due 15<sup>th</sup> January 2012

We will be sending out provisional tax payment slips pre-Christmas, so please contact us if you need to discuss your payment prior to Christmas.

### Donations

The IRD has recently issued a revenue alert setting out their view on donation "scams".

If you are making a donation to charity and claiming a tax credit, make sure there is an actual gift of money, and you obtain a valid donation receipt.

### GST Private Use Adjustments

GST registered entities acquiring goods or services that have an element of private use are required to deduct input tax only to the extent to which the goods or services will be used to make taxable supplies.

The new legislation that became effective 1 April 2011 requires a fair and reasonable estimate to be made of the intended taxable and non taxable use on acquisition. The input claim is then based on the percentage of taxable use.

For example, if a vehicle is to be used 70% for taxable purposes, an input claim is available for 70% of the purchase price.

Note that subsequent annual adjustments are required if the actual use changes by 10% or more from the intended use. There are also specific rules relating to property assets.

Please contact us if you are intending to acquire an asset that is likely to have private use, so that we can assist you in making the correct GST claim.

### Hoax Emails

Hoax emails claiming to be from IRD continue to do the rounds. The IRD do not send emails to tax payers asking them to file returns or advising them of refunds owing.

## Consequences of Gift Duty Abolition

Further to our earlier comments regarding the abolition of Gift Duty, it is clear from commentary issued by Government officials that current legislation will be used in future to prevent individuals from divesting themselves of assets overnight to defeat creditors, relationship partners and Government agencies providing social assistance (e.g. rest home subsidies, student loans etc.).

There is no one size fits all for gifting and therefore the individual circumstances of each trust should be considered carefully to ensure an appropriate level of gifting. We caution against immediate substantial gifts without obtaining specific advice first.

---

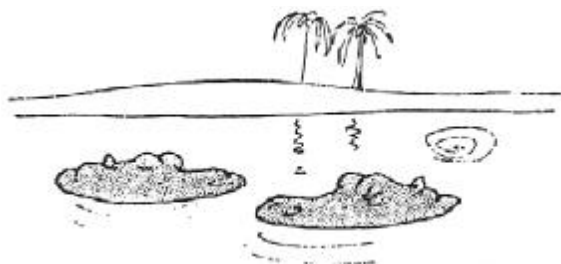
***“There is nothing better than a friend unless it is a friend with chocolate”  
– Charles Dickens***

---

## Depreciation – Commercial Building Fit Out

With the removal of depreciation on all buildings from 1 April 2011. A transitional concession was introduced for commercial buildings whereby 15% of the depreciated value of the building may be depreciated at 2% per annum even though the building depreciation rate has reduced to zero.

This will only apply to buildings where there has been no split of fit out from the building when the building was originally acquired.



***“I keep thinking it’s Tuesday.”***

## Murray’s Comment

We have a National Government again and their tax tolerance is less than Labour.

The IRD are currently very active in conducting targeted audits, and investigative reviews. If you are contacted by IRD, please get in touch with us immediately.

Finally, if you don’t pay your PAYE, IRD will spare you no sympathy.



***“He’ll be here in a minute – he’s just putting up some shelves in the kitchen.”***

---

***“Design is a funny word. Some people think design means how it looks. But of course if you dig deeper, it’s really how it works” – Steve Jobs***

---



***“The best thing about working here is going home.”***