



Imagine paying provisional tax when it suits your cash flow, and saving money at the same time.

Join thousands of Kiwis enjoying the benefits of Inland Revenue-approved tax pooling.

Inland Revenue's 'tax pooling' framework gives your accountant greater flexibility over when you make your provisional and terminal tax payments, by using Tax Traders.

What's your situation?

I want to pay my tax later

That's easy to arrange. You can delay your upcoming provisional tax payment by up to 22 months. You'll save money by eliminating Inland Revenue late payment penalties and minimising use of money interest.

How does it work?

You simply pay a low amount of interest up front and pay your tax later at a maturity date of your choice. No security or disclosures are required.

If you no longer need all the tax at the maturity date, there's no break fee and you only have to pay for the tax you need.

I have cash to pay my tax on time

Great! You can maximize your savings and flexibility by depositing into Tax Traders' tax pool when you have cash available through the year, instead of paying directly to Inland Revenue.

How does it work?

Deposit tax into the Tax Traders tax pool whenever it suits you - any amount, any time. At the end of the year, your accountant can log in to Tax Traders' portal to work out if you need to pay more or less tax. Your accountant will make sure your deposits are moved to the dates and amounts Inland Revenue expects, to satisfy your tax liability for the year.

If you have overpaid tax, you can earn premium interest by selling your excess tax through Tax Traders. If you have underpaid at the end of the income year, you can purchase tax to settle your tax liability, minimising Inland Revenue late payment penalties and use of money interest charges.

Need cash? If you need access to funds, you can withdraw your deposits from the Tax Traders tax pool without needing additional Inland Revenue approval (subject to *anti money laundering* checks if needed).

Forget to make a non-income tax payment on time? In most cases you can pay this with your earlier deposited funds to avoid late payment penalties and use of money interest.

I missed an income tax payment

If you haven't paid your provisional tax by its due date (or dates) or you paid late, you can 'buy' tax to settle your liability. This way, you save around 35% by eliminating Inland Revenue late payment penalties and minimising interest charges.

How does it work?

Tax pooling allows you to buy someone else's overpaid tax at a tax date that you need, to settle your outstanding tax liability with Inland Revenue.

There are flexible payment options to suit your cash flow needs and no minimum purchase amount.

What's tax pooling?



WATCH THE VIDEO

Tax pooling is an Inland Revenue approved framework

Tax pooling is a legal and respected part of the New Zealand tax system. The framework was established by Inland Revenue in 2003 to help taxpayers meet their provisional tax obligations.

Tax Traders is an Inland Revenue-approved intermediary, trusted by major accounting firms, corporates and SMEs nationwide. All funds in the tax pool are held securely by Public Trust, an independent crown entity. You can find out more at taxtraders.co.nz.

What will I see on my Inland Revenue statement of account?

Tax that you finance or deposit will only appear on your Inland Revenue statement of account once your accountant has transferred the tax from the tax pool to your Inland Revenue account. This means that you will see interest and penalties accrue on your Inland Revenue statement until your tax payment is settled and transferred. On transfer, Inland Revenue will consider your tax paid in-full and on-time. At this point, the use of money interest and late payment penalties will be removed. You will see a footnote on correspondence that you receive from Inland Revenue acknowledging that Inland Revenue is aware that you have arrangements in place to pay your tax with a tax pool.

What if I can't pay?

If you can't pay any tax payment arrangement made with Tax Traders within the agreed timeframe, you'll need to make an arrangement directly with Inland Revenue where late payment penalties and use of money interest charges will apply.



EXAMPLE

Amy runs two childcare centres and wants to buy some new equipment. But she also has an upcoming provisional tax bill of \$10,000. If she pays late directly to Inland Revenue she will have to pay penalties and interest.

Amy talks to her accountant who uses Tax Traders to delay her tax for a month by paying an upfront interest cost of \$18.85.

Amy saves **\$544.60** over Inland Revenue use of money interest and late payment penalties.



Your accountant can help

Talk to your accountant today to get a quote.
By using Tax Traders, they will get the best outcome for you.