



Manage your tax payments better with IRD-Approved Intermediary Tax Traders.

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Using the Inland Revenue's tax pooling framework, your accountant can provide you with greater control and flexibility with your income tax, through Tax Traders.

How does 'pay later' work?

Tax Traders brings together taxpayers from across New Zealand in a tax pool. This allows your accountant to trade your tax payments to match your needs. 'Pay later' (also called 'tax finance') reserves some of this tax in your name so you can delay your payment to a time that better suits you.

To pay your upcoming tax later, you'll pay a finance fee prior to your provisional tax date. Then you'll have the until the maturity date of your finance arrangement to pay off your tax. If you can't pay at that time, in most cases the maturity date can be extended.

This means you get to pay your provisional tax on the date you want, while IRD still gets paid in-full and on-time.

What if I end up needing less tax?

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. With complimentary *feeGuard* you're entitled to a full refund of the up-front interest on any portion of your income tax that you don't end up paying for at maturity.

For example, should you receive an interest write-off from Inland Revenue (IRD), just let us know prior to maturity to receive a full refund on your up-front interest. This means you won't pay interest on tax you don't end up needing; we'll issue you a refund, no questions asked. (In some cases, an anti-money laundering check will be required.)

An IRD-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 IRD-approved intermediary, trusted by major accounting firms and companies 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 IRD statement?

Tax that you finance or deposit will only appear on your IRD statement once your accountant has transferred the tax from the tax pool to your IRD account. This means that you will see interest and penalties accrue on your IRD statement until your tax payment is settled and transferred. On transfer, IRD will consider your tax paid in-full and on-time. At this point, those interest and late payment charges will be removed.

You will see a footnote on correspondence that you receive from IRD acknowledging that IRD is aware that you have arrangements with a tax pool.

Prefer to 'pay now'?

Deposit into the tax pool for maximum flexibility.

Consider using tax pooling to maximize your savings and payment flexibility.

- **Access your own tax funds**
If you need the cash, you can withdraw your deposits from the Tax Traders tax pool without needing additional IRD approval (subject to an *anti money laundering* check if needed).
- **Earn interest on your overpayments**
Sell surplus deposits and earn interest on the way. By contrast, IRD will pay 0% interest on any tax refunds at this time.
- **Fix up mistakes**
Forget to make a GST payment on time? In most cases you can pay it with your earlier deposits to avoid penalties and interest.
- **Any amount, any time**
Deposit tax into the Tax Traders tax pool whenever it suits you. Your accountant will make sure those deposits are swapped to the dates and amounts IRD expect when it's time to transfer to IRD.

Talk to your accountant today – by using Tax Traders they will get the best outcome for you.