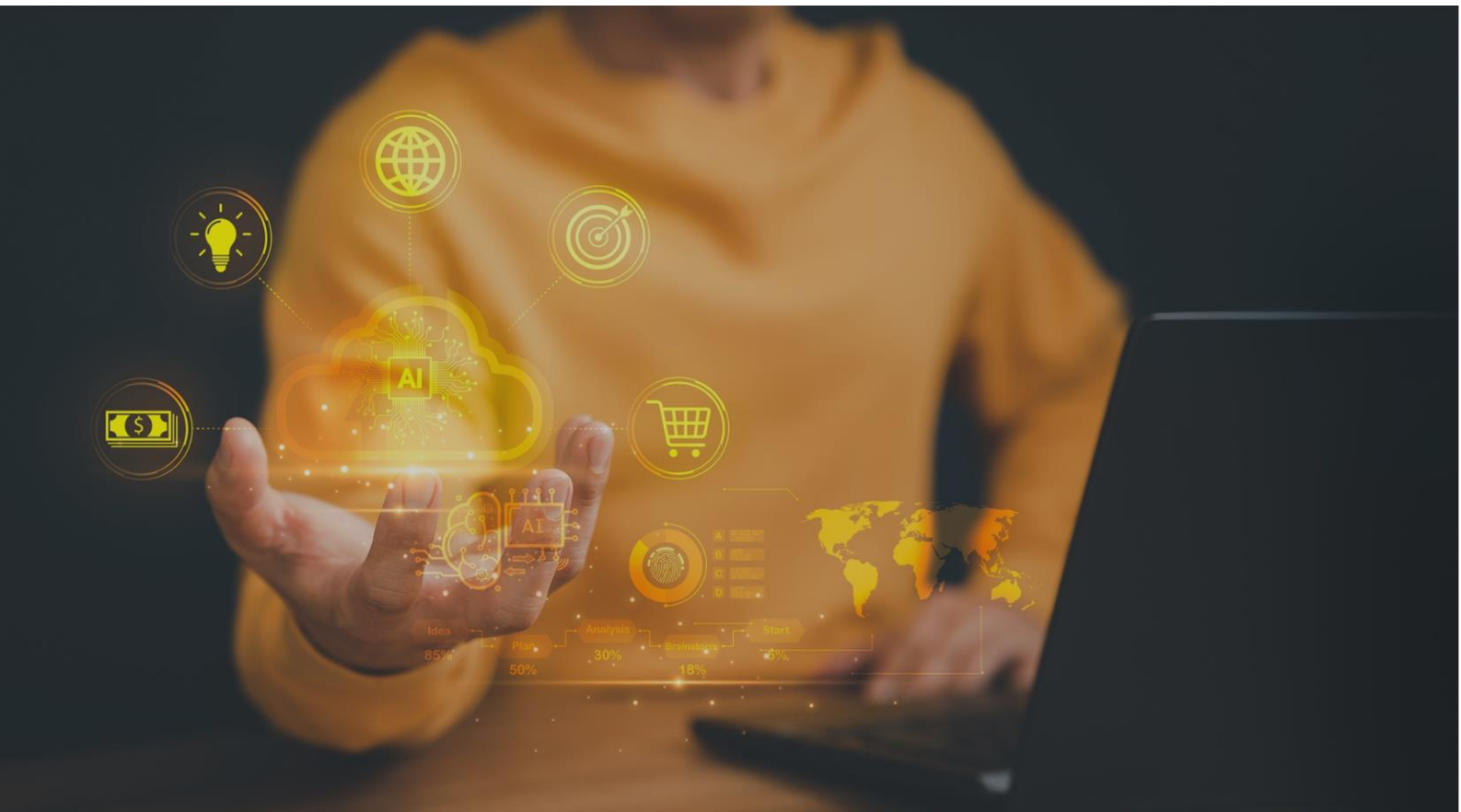


ACCELERATE

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OUR NEWSLETTER FOR GROWING BUSINESSES



Happy new tax year! We hope you've had a great start to this financial year and enjoyed a strong finish to the last one. Our April newsletter kicks off with key information on the minimum wage increase and adjustments to mixed-use asset rules. Rent a bach? We outline the latest major GST changes as well as new tax rules for selling through online marketplaces like Airbnb and Uber. In our latest digital snapshot, you'll learn more about using ChatGPT, the artificial intelligence tool taking the world by storm.

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The government has announced an increase to the minimum wage that will kick in from April 1. The adult minimum wage will rise by \$0.45 an hour, taking it up to \$23.15 an hour. This will mean additional costs for many businesses.

Workplace Relations and Safety Minister Brooke van Velden said that “a cautious approach to the minimum wage is required this year” giving “our lowest paid workers more money in their pockets, without hindering job growth or imposing unreasonable costs on businesses”.

If your business has minimum wage employees:

- talk to your payroll people to ensure wage changes have been made
- adjust your budgets for the year
- consider the impact on the rest of your financial plans
- check whether existing employment agreements provide for overtime or allowances. If they do, consider the impact of the wage increases.

Give us a call if you're unsure how to plan for the minimum wage adjustment.



How 2024 Easter timing affects your tax return

Easter weekend fell at the end of March this year, on the final days of the tax year. The timing has some important implications for some of you:

Extended 2023 returns

Taxpayers working with a tax agent who have an extension of time arrangement for 2023 tax returns should be aware that returns filed from March 29 to April 2, 2024 will be classed as having been received on time. Note the statute time bar (where Inland Revenue can reassess a tax return) for 2023 returns will be 31 March 2028 for returns filed on or before 31 March, and if filed after 31 March 2024, the statute time will extend out to 31 March 2029.

If you have a June balance date

If your 2023 return was filed **on or before March 28**, your second instalment of 2024 provisional tax will be based on **105%** of your 2023 residual income tax.

If you filed your 2023 return **after** March 28, your second instalment will be based on **110%** of your 2022 residual income tax.

Unsure how Easter timing affects you? Give us a call.



Mixed-use asset rule change explained

April 1 marks a significant change in the GST tax treatment of mixed-use assets.

Taxpayers can claim 100% of GST for expenses relating to the income-earning use of a mixed-use asset, for example, the cost of advertising a holiday home online.

However, working out GST claims for expenses relating to both the income-earning and private use of the asset has been more difficult to establish.

In the past, a complex calculation has been needed to apportion GST expense claims relating to both income-earning and private use.

As of this month, GST calculations for mixed-use assets have been simplified. You no longer need to use the old method and **general apportionment and adjustment rules will apply** instead.

Remember, if you have a mixed-use asset, such as a boat, bach, or plane, please keep records on how and when it is used for business or private purposes.

If you're unsure about these changes, give your adviser a call.

A photograph of a young woman with long blonde hair, wearing a yellow top and a large backpack, smiling and interacting with someone whose back is to the camera. The background is a brick wall.

What to know if you rent out your holiday home or provide services online

Do you rent out a bach on Airbnb or do some driving on Uber for extra income? If so, there are more tax changes you need to know about.

From 1 January this year, platforms such as Uber and Airbnb will collect information from their users including sales income and IRD numbers, and will be required to share it with Inland Revenue and relevant overseas tax authorities by early 2025. The requirement applies to online marketplaces in the 'sharing economy' that connect service providers with customers (for example, the owner of a holiday home with short-term tenants, or a driver with riders).

As well as short term accommodation and ride-sharing services, this covers people who provide assets such as cars, caravans, parking, or storage space, personal services such as graphic design on platforms like Pocket Jobs, or who deliver food on apps like Delivereasy. It also covers trades people who provide services to customers through online platforms.

Additionally, from April, people who rent out their bach on Airbnb or Bookabach, drive for Uber or other ride-sharing platforms, or who deliver food and beverages through online platforms should be aware that their online marketplaces are required to collect and return GST of 15%. This applies whether the seller is GST-registered or not, though the rules work a bit differently for people who aren't registered for GST.

What we need from you

If you provide services on an online marketplace you'll still need to declare all income in your tax return and keep records of income earned and expenses incurred. If you would like more information on how the GST rules will apply to you, please contact us.



Everyone's talking about the artificial intelligence chatbot ChatGPT, the new tool that can do just about anything, from generating letter templates to answering questions.

ChatGPT is a fantastic free tool for any business. Here are some ways it can help you — and what you shouldn't do with it.

| DO | DON'T |
|--|--|
| Use it to check your emails and letters Ready to send an important email to a new client or business partner? Use ChatGPT to create a draft template and check your finished content for spelling errors. Ask the chatbot to edit your email and find any mistakes. | Rely on it completely ChatGPT is an amazing technology, but it's not flaw-proof. The AI can still get confused and provide false information. Don't rely blindly on information from ChatGPT for your client or staff emails. Fact-check everything. |
| Use it as a research tool ChatGPT is the most powerful artificial brain the world has ever seen, so use it to your advantage by asking it questions. The chatbot should be able to help you with research in any field — just remember to double-check information as it can get things wrong. | Don't plagiarise Don't lose your brand voice and personal touch by copying and pasting content from ChatGPT. Also, remember that your competitors will have access to the same tool. |
| Use it for brainstorming AI is great at coming up with ideas (though not all of them are good!). If you're struggling for inspiration for a new business venture, product or service, ask ChatGPT to come up with some suggestions. It should help get the ideas flowing. | Don't share sensitive information Concerns have already been raised about potential copyright issues and how ChatGPT uses information. You shouldn't share sensitive business information, personal data or confidential information with the chatbot. |

It's always a good idea to give new technology a try. Experiment with ChatGPT to see if it can help your business.

TAX CALENDAR – APRIL 2024

| Date | Category | Description |
|----------|-----------------------------|---|
| 2 April | Annual income tax return | Return due. |
| 5 April | PAYE | Large employers' payment due. File employment information within two working days after payday. |
| 8 April | FBT | Income year FBT filers' return and payment due. |
| 22 April | RWT | RWT return and payment due for deductions from dividends and deductions of \$500 or more from interest paid during March. |
| 22 April | NRWT / Approved Issuer Levy | Payment and return for March. |
| 22 April | PAYE | Small and large employers' payment due. File employment information within two working days after payday. |

Note: The Annual income tax return and income year FBT due dates refer to clients on our agency list.

***Disclaimer:** This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.*