

Ways Inland Revenue can help your business at this time

If your business is struggling to meet its tax payments at this time, there's plenty of ways Inland Revenue can help.

If you're having difficulty paying your tax

- You can set up an instalment arrangement to pay your tax off over time in your online account, myIR.
- If you're paying provisional tax on the expectation of making a certain profit this year, and you no longer think you'll be making that profit, you can re-estimate it at any time in myIR. This will reduce your tax bill.
- If you're trying to pay off tax for last year's profit, while at the same time thinking you'll be making a loss this year, you may be able to offset last year's profit with this year's loss. This will reduce last year's tax bill. Search ird.govt.nz for loss carry back.
- In certain conditions we can write-off penalties, interest, and even core tax debt. Search ird.govt.nz for tax relief.

If you need some cash to keep the business going for a short time

Until June 12 you can apply for a small business loan from Inland Revenue. The maximum amount loaned is \$10,000 plus \$1,800 per full-time-equivalent employee. The annual interest rate is 3% beginning from the date of the loan being provided. Interest will not be charged if the loan is fully paid back within one year. Search ird.govt.nz for business loan.

Recent changes to tax that might help

In the last few months, a number of changes have been made to help businesses during this time. For more detail on each of the below, talk with your tax agent, or search ird.govt.nz for the term in bold.

The **provisional tax threshold** has increased from \$2,500 to \$5,000. This means, if you expect to have a tax bill of less than \$5,000 this year, you don't have to pay instalments through the year.

The **small asset depreciation threshold** has increased to \$5,000 for the 2020/21 tax year. This means you can write-off the full cost of assets you buy for less than \$5,000 this year, which will reduce this year's tax bill.

Depreciation on commercial and industrial buildings is now allowed. This could reduce this year's tax bill.

The Government has announced it's intention to change the **loss continuity rules** to make it easier for a business to keep its losses on the books when changing ownership. This might make it easier to attract new investors.

Research & Development tax credit changes have been brought forward which means those businesses conducting R&D last year might be able to reduce their tax bill this year.

For other new forms of support the Government might be able to provide your business, search covid19.govt.nz for **financial support for businesses**, or speak with your financial advisor.