

OnBalance

Local News, Views & Updates from PKF Carr & Stanton Limited

PKF

Accountants &
Business Advisers

March 2009

National Jet Sprint Champs



The Directors and staff of PKF Carr & Stanton enjoyed a Sunday afternoon on Round 4 of the New Zealand Jet Sprint Championship held at the Riverside Jet Track in Omapere.

As a sponsor of the event, we enjoyed the comforts of a trackside marquee with prime viewing conditions. With a BBQ lunch and cold drinks for all, we waited for the thrills and spills to unfold.



Triple Peaks

The training paid off. On Saturday 21 March, two teams of six from PKF Carr & Stanton successfully completed the Pak 'N Save Triple Peaks Challenge. The early morning start was more of a challenge to team members than the mountain climb ahead!

Having conquered the three peaks of Erin, Kahuranaki & Te Mata, covered 47 kms and two river crossings, the team enjoyed a few cold beverages and a gourmet BBQ by our own chef Aaron Tyro.



Start, Manage GROW Government Department 'Surgery' for business

The Hawke's Bay Chamber of Commerce is organising a "Business Surgery" with representatives from the following Government Departments including Ministry of Social Development, Department of Labour, NZT&E, ACC, FRST plus some business training providers, to be held in mid April. The IRD will also be giving a 15 minute presentation on the new tax changes that affect small to medium enterprises.

We recommend this *surgery* as a useful opportunity for business owners to be able to speak informally to any of the above government department representatives.

Date: Thursday, 16 April, 5.30pm - 7pm
Venue: Park Estate, Pakowhai Road
To Register Email: admin@hawkesbaychamber.co.nz

What can PKF Carr & Stanton do for you?

Specifically we can help with:

Planning & Advice:

- Tax planning
- Asset protection and succession planning
- Exploring opportunities overseas
- Trusts
- E-commerce
- New business set-up and advice
- Organising and assisting with loan finance
- Feasibility studies
- Business plans
- Budgeting and cashflow forecasting
- Advice on buying or selling a business
- Valuations of shares and business
- Business structures and company formation
- Matrimonial property dissolutions
- Employment incentives, contracts and redundancy
- IRD investigations and audits
- Company taxation, dividend and imputation credit issues

Computer Services:

- Supply, installation and support for accounting software packages
- Systems evaluation
- Computer hardware support

Ongoing Support:

- Business management support and advice
- Monthly and periodic reporting
- Cost and management accounting
- Preparation of annual financial statements
- Tax accounting and compliance
- GST and FBT return preparation

What does the new Taxation Legislation mean for you?

1. Personal tax cuts starting 1 April 2009
2. Repeal of the R&D tax credit changes
3. Changes to KiwiSaver

Personal Tax Cuts

After full implementation on 1 April 2011, the rates will be 12.5% on the first \$14,000 of income, 20% from \$14,001 to \$50,000, 33% from \$50,000 to \$70,000, and 37% above \$70,000.

See the personal tax structures chart above for more information:

For more information, please contact us.

Current	1 April 2009 - 31 March 2009	1 April 2010 - 31 March 2010	From April 2011
\$0 - \$14,000 12.5%	\$0 - \$14,000 12.5%	\$0 - \$14,000 12.5%	\$0 - \$14,000 12.5%
\$14,000 - \$40,000 21%	\$14,001 - \$48,000 21%	\$14,001 - \$50,000 21%	\$14,001 - \$50,000 20%
\$40,001 - \$70,000 33%	\$48,001 - \$70,000 33%	\$50,001 - \$70,000 33%	\$50,001 - \$70,000 33%
\$70,000+ 39%	\$70,000 38%	\$70,001+ 37%	\$70,001+ 37%

As a result of the changes to the personal tax rates and thresholds, changes will also occur to:

- the multi-rate FBT rates, and
- the rates and thresholds for Employer Superannuation Contribution Tax (ESCT).

However ...

- current RWT rates (19.5%, 33% and 39%), and
- tax rates and thresholds for the PIE regime (19.5% and 30%)

... will remain unchanged for the moment while the impact of changes to the personal tax rates are discussed with the finance and managed funds industries.

It is anticipated that any changes will apply from **1 April 2010**.

There have also been changes made to the:

1. Independent Earner Tax Credit (IETC);
2. Research and Development Tax Credit; and
3. KiwiSaver.

Paying Dividends?

Clearing 33% Imputation Credit Account (ICA) Credits

The change in company tax rate to 30% for the 2008/09 tax year onwards has left a number of clients with ICA credits relating to taxes paid when the tax rate was 33%.

From the 2008/09 tax year onwards, imputation credits will only arise to the ICA and be able to be passed through to shareholders at the rate of 30%.

As a transitional measure, companies can declare dividends using 33% ICA credits (relating to income taxed at 33%) up until 31 March 2010; at which point all dividends will be capped at 30%.

It is the time to plan for the payment of dividends to clear out the 33% ICA credits before 31 March 2010.

If you need help planning your dividend payments over the coming year, please contact us.

Team News

It's welcome back again to **Kate Layton**. Kate joins us again after leaving to move to the big smoke of Greymouth and then Hamilton. Kate has joined Campbell Brenton-Rule's team as a key member of his accounting team.

And then it was farewell to **Abbie Pallesen** who has moved to the bright lights (and strong winds) of Wellington. Abbie joined us in 2003 straight from school and has worked with Michael Jackson and his clients becoming a valued member of the team. We

wish her well in her new role and all the best for inner city living.



Congratulations to **Rebecca Morton** who has just completed her NZ Diploma in Business through our local Eastern Institute of Technology. Rebecca, like most of our staff, has completed her studies whilst working full time. This takes a great deal of dedication and commitment. Well done Rebecca!

Visit our new website address at: www.pkfcs.co.nz