

BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



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REMINDERS

Remember that if a due date falls on a weekend or public holiday, we can receive your return and payment on the next working day without a penalty being applied. But for provincial anniversary dates, this only applies if you're in the province celebrating the holiday, and only if you usually make tax payments over-the-counter at Westpac.

We have key dates to help you meet your obligations. ird.govt.nz/index/key-dates

Last edition of the Business Tax Update

We've made some changes to the way we share our updates with you.

business.govt.nz produce a newsletter covering a range of topics important to business. Along with a number of other Government agencies we'll have updates in this newsletter.

You can still get up-to-date information about changes and improvements at Inland Revenue at ird.govt.nz/index/news and also media.ird.govt.nz/

For information topical to business subscribe to business.govt.nz/join-us/subscribe-to-our-newsletter/

Tax Depreciation Rates for e-scooters and e-bicycles used in the ordinary course of business, and e-scooters, e-bicycles and bicycles (pedal) used for short term hire of 1 month or less

The Commissioner has been asked to consider what depreciation rate should apply for E-scooters and e-bicycles that are used in the ordinary course of business or are available for short-term hire of less than a month.

E-scooters" and "E-bicycles" will be added to both the "Leisure" and "Transportation" industry categories. They have been added to the "Hire equipment (short term hire of 1 month or less only)" asset category. The asset class of "Bicycles (pedal)" is also added to the "Hire equipment (short-term hire of 1 month or less only)" asset category.

This determination may be cited as "Determination DEP 106 Tax Depreciation Rates General Determination Number DEP106: E- scooters and e-bicycles available for use in the ordinary course of business; e-scooters, e-bicycles and bicycles (pedal) available for short-term hire".

For more detailed information you can read Tax Depreciation Rates for e-scooters and e-bicycles used in the ordinary course of business, and e-scooters, e-bicycles and bicycles (pedal) used for short term hire of 1 month or less Dep - 106.

taxtechnical.ird.govt.nz/determinations/depreciation/general/2021/dep106

Now is the ideal time to check your employment agreements. Are your contracts up to date?

(On behalf of Employment New Zealand)

Following the recent minimum wage increase, now is the ideal time for you to ensure your business's employment agreements (contracts) are up to date.

You can use this as an opportunity to ensure you are meeting your legal obligations and build stronger staff relationships. Also, consider potential impacts of the minimum wage increase on internal wage relativity, external benchmarking and staff current and future pay expectations.

By law every employee must have a current written employment contract. It must state the wage rate or salary payable, which must be equal or more than the relevant minimum wage. With any changes of wages, the employer must send a contract variation letter advising of the new wage. Negotiated and used fairly such contracts can be a great foundation for win/win, productive employment relationships with your staff.

Employment New Zealand's Employment Agreement Builder tool can help you easily create new contracts. It covers what you must do by law, and also sets out common mistakes and how to avoid them. The tool notes three types of clauses: "Mandatory", "Recommended" and "Optional". We estimate it has been used for 950,000 contracts since it was launched five years ago.

On April 1, the adult minimum wage increased from \$18.90 to \$20.00 gross per hour, and the starting-out and training minimum wage increased from \$15.12 to \$16.00 gross per hour.

For more information on contracts go to **employment.govt.nz** - use search word "employment agreements".