

Provisional tax -impact on employees who receive one off income without tax deducted

8 February 2019



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Dear Grant

**Provisional tax – impact on employees who receive one-off income without tax deducted
PUB 00336**

CA ANZ appreciates the opportunity to provide feedback on this draft QWBA.

We support the publication of a QWBA on the provisional tax impact and related use of money interest (UOMI) ramifications for employees who receive one-off income without tax deducted. The QWBA will be welcomed by many employees (and practitioners) who need to understand when a provisional tax liability arises.

Flowcharts

We suggest that it would be useful if the QWBA included flowcharts so there are easy, cohesive decision trees that can be followed without the need to comprehend and apply all the surrounding commentary to get the right result.

For example, regarding UOMI this could be as simple as:

1. Is your RIT more than \$2,500?

Yes (Go to question 2)?

No (UOMI will not apply).

2. Is your RIT less than \$60,000?

Yes (No UOMI if your RIT is paid on or before terminal tax date).

No (Go to question 3)

3. Is your RIT \$60,000 or more?

Yes (No UOMI if an amount equal to your RIT is paid on before the provisional tax 3rd instalment date).

We would be happy to discuss our submission with you.

Yours sincerely



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