



Christmas Closing Dates & Important Tax Reminders!

Can you believe that once again, Xmas is just around the corner? 2010 came and is now nearly gone just as quickly!

Our last newsletter for the year is not due until mid-December so we felt it prudent to get in early and advise of our plans over the Xmas break.

K+B office will be closed from **12pm Thursday 23rd December 2010** and will re-open for business on **Wednesday 19th January 2011**.

If you need urgent assistance during this shutdown period, please contact Craig Sanders on 021 468 871.

GST DUE 28TH DECEMBER 2010

For clients whose GST filing frequency is such that payment would be due on 28th December, as in previous years, the IRD extend this date to 15th January.

However, we will need to prepare these returns and arrange payment before we close as we do not re-open until 19th January.

We ask clients affected by this to please get your papers to us as soon as possible in December.

PROVISIONAL TAX DUE 28TH DECEMBER 2010

Also, for Provisional tax payers with a March balance date, there will be a payment due on 28th December and this too will be extended through to 15th January.

We will send the appropriate notices for this mid December.

GST Registered? PLEASE READ!

If you are registered for GST then recently you should have received a letter from us advising how the GST rate rise will affect how your GST return for the period covering 30th September 2010 is completed.

IF K+B PREPARE YOUR GST RETURNS...

If we prepare your GST returns we will take care of any transitional adjustments needed. What we need from you is an accurate balance of your outstanding debtors and creditors as at 30th September.

You will receive from us a form asking you to list your accounts payable and your accounts receivable as at 30th September 2010.

Please ensure you have this information to us no later than **Monday 18th October 2010**.

IF YOU PREPARE YOUR OWN GST RETURNS...



If you are preparing your own GST returns we suggest that we check your calculations to ensure any transitional adjustments have been correctly applied.

We are more than happy to assist should you require help to complete your return. The calculation of the adjustment can be complicated to understand and messy to complete, so please seek our advice if you are not 100% sure that you are completing the return correctly – this could save the potential headache of having to fix any errors later down the track. Please speak to your client manager if you think you will need help.

As we are sure you will appreciate, the GST rate rise equates to an especially busy time for us come the end of the month, so if you think you will require our assistance please speak with your client manager as soon as possible.

Important GST info for our rural clients

Please **DO NOT** include your September Fonterra milk supply payment that you will receive in October in the Accounts Receivable calculation.

Fonterra will be dating the statement for your September milk supply with an October date, so GST will be applied at the new rate of 15%.

Do include any deferred payments owing as at 30 September in your Accounts Payable calculation.

These might include deferred payments to Ravensdown, RDI or Farmlands.



Personal and Company Tax Rates

From 1 October 2010, personal income tax rates have been reduced as outlined below:

Taxable Income	2009/2010	2010/2011*	2011/2012
\$0 - \$14,000	12.5%	11.5%	10.5%
\$14,001 - \$48,000	21%	19.25%	17.5%
\$48,001 - \$70,000	33%	31.5%	30%
Over \$70,000	38%	35.5%	33%

* In 2010/2011 the rates are composite rates.

The Company income tax rate decreases from 30% to 28% effective from the start of the 2011/2012 tax year i.e. 1 April 2011 for most companies.

Congrats Frank!

Frank was recently elected on the Te Awamutu Chamber of Commerce Executive Committee. The Chamber aims to provide quality services and products that enable member businesses to operate successfully.

Frank invites any existing members of the Chamber to contact him if they have any queries and also encourages businesses who are not yet members to consider joining. The Chamber offers great support to local business.

For further information, visit www.teawamutuchamber.org.nz or contact Frank on (07) 871 3176 or email frank@kb.co.nz.



Join us for lunch with Duncan Free

Rowing Olympic Gold medallist - Duncan Free is heading our way at the end of the month to compete in the World Rowing Championship at Karapiro starting 30th October.

We are very fortunate to have been able to arrange for Duncan to join us for a luncheon at the end of the competition.

We invite you to come along to hear this outstanding Olympic athlete talk about his performance at the World Champs and other career highlights.

Date: Monday 8th November 2010

Venue: Kelly & Bryant Office

Time: 12.00pm – 2.00pm



Light nibbles and refreshments provided.



Please RSVP by Wednesday 3rd November. Phone Aimee on (07) 871 3176 or email aimee@kb.co.nz.

Farewell from the editor...

It's been fun to bring you the K+B newsletter over the past few years, but there is to be a new editor in chief soon, as I am soon to depart from K+B.

I am excited to announce that I will be opening a new restaurant/bar establishment in Te Awamutu in the not too distant future. More details coming soon...

Thanks for reading! **Krystle**

Trust...a wake up call for Trustees

Next month, a paper to be issued by the Law Commission could review options to significantly tighten compliance procedures for trusts. The trust statute could include both civil and criminal penalties for trustees (often mum and dad) who fail in their duties and could give more power to trust beneficiaries. There may be as many as 500,000 trusts in New Zealand resulting in a growing worry that a large number may be mismanaged or, in some cases, not managed at all.

There is a clear need for family trusts to be comprehensively reviewed. Our firm has developed a trust risk review process which we strongly recommend we action for all client trusts. The review will address all of the above concerns and provide a 'warrant of fitness' of trust documentation and administration. We recognise the need to put in place a formal structure to ensure your trust cannot be challenged by any other party.

We will be in contact over the next few months to discuss the review of your family trust.



Advice from IRD

Avoid ringing IRD for advice. If you do, do not necessarily rely on the answer you receive. Be aware that IRD advice is not considered to be professional advice and the Department will not stand by the advice given by one of its staff. You could still be liable for any short paid tax plus interest and penalties should any problems arise.

The IRD has many staff and it would be impractical for the Department to train all its employees, to the level of a tax consultant.

We encourage you to always seek our advice in the first instance.