

TAX COLUMN

2009 PROVISIONAL TAX

From the beginning of the 2009 tax year you will pay your GST and provisional tax together in the months when your provisional tax is due. Payment is due under the existing GST due dates.

The number of times you pay GST won't change but the number of times you pay provisional tax each year may change.

If you have a standard 31 March balance date then your provisional due dates will be:
1st 28 August (prev. 7 July)
2nd 15 January (prev. 7 Nov.)
3rd 7 May (prev. 7 March).
Terminal tax payments will remain unchanged at 7 April.

Taxpayers can also apply to pay their provisional tax on a new 'ratio' basis as long as the annual tax charge (RIT) is less than \$150,000.

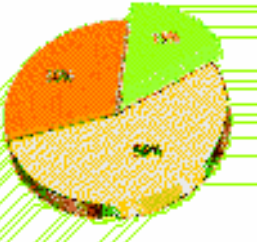
Under the ratio method a taxpayer makes provisional tax payments with every GST return. The payments are based on a percentage of your GST taxable supplies so this method will suit small to medium-sized businesses that have fluctuating income and turnover.

Another attractive feature of the ratio method is that no IRD interest (UOMI) is levied on any provisional tax shortfall as long as you have made all your payments by due date.

PLEASE CONTACT OUR OFFICE TO DISCUSS WHAT IS BEST FOR YOU!

CHECK YOUR PIE!

From 1 October 2007, any NZ resident investment entity which meets a number of eligibility criteria can apply to be a Portfolio Investment Entity (a PIE!).



PIEs do not pay tax on capital gains generated from the proceeds of selling investments in NZ or Australia which earn income from either; dividends, rent from land and financial arrangements. This has been specifically done to mirror the tax treatment afforded to an investor who is investing in these sectors directly.

Any distributions from a PIE are net of any tax, so don't need to be included in a tax return.

The PIE does pay tax on investment income on behalf of its natural person investors at a maximum rate of 33%, dropping to 30% from 1 April 2008. An investor on a personal income tax rate of 39% will avoid the extra 6% (9% from 1 April 2008). This tax rate drops to 19.5% for investors with non PIE income below \$38,000.

Companies, trusts, super funds or other PIEs can elect a 0% rate but must pay the tax on their share of the PIEs income as it is earned.

REVIEW YOUR INVESTMENTS!



BLUE PACIFIC

NEW OFFICES!

We have now moved to 13 Ruakiwi Road, HAMILTON.

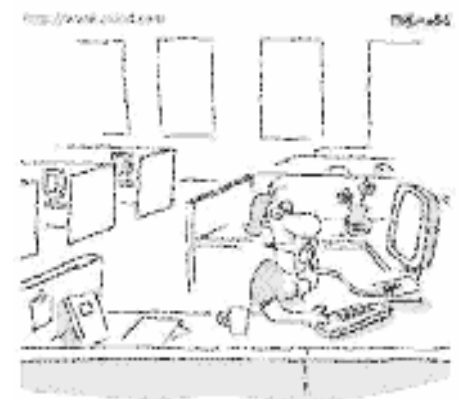
Our new premises are just opposite the water tower up on the Lake Domain.



Christmas Break!

Our office will close at 5pm on Friday 21st December 2007 and re-open 8.30am on Monday 14th January 2008. An emergency contact number is available from our office message service. From everyone at Langlands & Co. Ltd!

"Happy Christmas and we look forward to 2008 being a prosperous new year for you!"



"Customer support. Please hold till I transfer your call to our branch in India..."

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Newsletter
- Contact Rick or Aaron at our Office or complete the request below and post.**

FOLD AND GLUE HERE

To: Langlands & Co. Limited

Would you please contact me concerning the following matter(s):

DETAILS

Name

Date
