

## Tax Calendar



### 20 September 2016

Employer Deductions (EDF IR345) form and payment due.

Quarterly FBT return and payment due.

### 28 September 2016

GST Returns and payments due.

### 30 September 2016

Student Loan repayments due for overseas-based borrowers.

### 28 October 2016

Provisional tax payments for ratio option customers and GST returns and payments due.

### 28 November 2016

GST Returns and payments due.



**Brent Dickins**  
**Hamish Pryde**  
**Barbara McConaghty**  
**Lois Bond**  
**Jude Dickins**  
**Deanna Anderson**  
**Rebekah Stokes**  
**Trudy Plaisted**  
**Kelly-Jane Pryde**  
**Paula Middleton**  
**Stephanie Horne**

The information contained in this newsletter is of a general nature and should be used as a guide only. Before acting on this information, please consult us regarding your personal situation

## Hear it from Hamish.... Driverless Cars



There is no way I'm trusting a computer to drive my car for me and my family!

I've always said that if my car worked as well as my computer I'd be late for work most days. A driverless car is using technology on a whim!

In the US a driverless car drove into a white van killing the occupant. The car just didn't "see" the white van! A friend of mine has the latest ute that brakes on the open road when it drives into a shadow! Dangerous, stupid and frustrating!

He had that feature turned off; thank goodness that was an option.

Imagine you are in a hurry to get to work or your golf tee-off time and turn the car on and it tells you to please wait while an update is loaded; which takes five minutes and necessitates opening and closing the boot five times before the car will fire up! Just because technology can do something doesn't mean we should all have it.

Technology is actually making people bad drivers. My car has a backing camera; good to make sure I don't run the kids over backing out of the garage, but I still look around to be aware of my surroundings. The car also beeps at me as I back out of the garage telling me I'm close to the wall. I know - I parked my car so there is room for both cars in the garage. Don't annoy me with a beep to tell me something I already know. Our lives are enriched by doing and experiencing things. Don't zombify me into just sitting in a car.

Imagine a 44 ton driverless truck doing 90 kph down the highway suddenly receiving an update! No "bear with" as it careens into the oncoming car. Who is going to suffer the criminal consequences? If this technology is relying on satellites, is my car going to suffer rain fade like my Sky TV when the weather's bad?

I enjoy driving and I don't want that pleasure taken away from me. Who thinks driverless cars are what the consumer needs? Like everything, find out what the people need first.

Find real solutions to real problems!



## "New additions" to the Coombe Smith family ...



**William Stokes at 17 weeks old**

Bex added another dear little baby boy to her family on 4 May 2016 - William Daniel Stokes - weighing 8lb 5oz. She is enjoying being a stay at home mum with her two little boys, and will be back at work in April next year.

Deanna has also just added another dear little boy to her family. Samuel Jack Edward Anderson was born on 8 September 2016 weighing 8lb 6oz. Mum, dad and baby all doing well, and as you can see here he has a very doting and proud big brother - Alex. Deanna plans to be back at work in early June next year.



**Sam Anderson with big brother Alex**

# When you need to pay FBT on Motor Vehicles

As an employer, if you make a vehicle available to an employee to use privately you will have to pay Fringe Benefit Tax (FBT).

You pay FBT on vehicles made available to:

- Employees (and their associated persons), and
- Shareholder-employees.

Sole traders and partners in a partnership do not pay FBT on business vehicles they use. Instead they make income tax and GST adjustments for private use.

## Misconception:

### You only pay FBT on a motor vehicle if an employee uses it privately

**The reality is** that as long as a motor vehicle is available for private use, FBT is payable, whether they actually use it or not.

### Situations where motor vehicles are exempt from FBT

Vehicles with a gross laden weight of more than 3,500 kilograms are not subject to FBT.

Vehicles are also exempt from FBT if they meet all of the following conditions:

- The principal design of the vehicle is not for carrying passengers.
- The exterior of the vehicle permanently and prominently displays business signage.
- You notify employees in writing that the vehicle is available only for travel between home and work and travel incidental to business, eg. passing by the bank on the way home from work.
- You carry out regular record checks to make sure employees are following vehicle restrictions.

### You don't have to pay FBT for the days a motor vehicle is:

- On an emergency call
- Used for out-of-town travel, or
- Unavailable to the employee for at least 24 hours, for example if the vehicle has broken down or is being repaired.

## Deductibility of ACC Levies

Understanding what is tax deductible and what is not when paying ACC levies has been the cause of some misunderstandings lately. Everyone who pays ACC, including those on salary and wages, have an 'Earners Levy' included in their ACC premiums which **cannot** be claimed as a tax deductible expense. This applies whether you are on salary and wages, self employed, a partner in a partnership, or a shareholder-employee. The Earner levy is to cover accidents and injuries outside the workplace.

This rule also applies to ACC CoverPlus and ACC CoverPlus Extra.

So what is deductible for the Company and how should the Earners Levy be accounted when the Company is paying the premiums? If the ACC shareholder / employee invoice is in the name Company the levies are then deductible to the Company in the year that they are due and payable; which of course gives rise to a GST input credit available to the Company.

The earners levy component of this invoice should be treated as shareholder / employee drawings if the premiums are being paid through the Company, and the GST component of the Earners Levy cannot be claimed by the Company. In the case of the ACC CoverPlus Extra policy the invoice will come in the name of the shareholder / employee.

If the Company pays the ACC CoverPlus Extra levy on behalf of the shareholder-employee, the payment should be accounted for as income to the shareholder / employee and subject to PAYE. It will only be deductible to the Company if it is being paid as a way of remunerating the employee. The GST on this invoice cannot be claimed by the Company.