



BRG NEWS

Welcome to the August issue of the BRG News for 2010. We hope you enjoy some of the interesting and informative topics in this month's newsletter. If you would like to receive this newsletter by email, contact us by email on support@busres.co.nz

Rise in GST

As you would be aware the rate of GST will be increased from 12.5% to 15% as of 1 October 2010.

The GST rate increase is consistent with Government's commitment to a fairer tax system and a move away from personal and company tax rates that it considers harmful to economic growth.

Over the next few weeks (and beyond) we'll be working hard to guide our clients through the various changes that need to be implemented as a result of the GST rate increase, some of them complex.

As always, taxation changes do present opportunities along with the usual challenges, so now is the time to consider those opportunities along with the raft of administrative changes you'll need to consider.

One of the most common questions we get asked at the moment is around the "tax fraction" - with a GST rate of 12.5%, calculating the GST component of a GST inclusive price is as simple as dividing by 9.

Not so simple after 1 October. When GST increases to 15% you can get a rough idea of the GST amount by dividing by 7.667 - however to get an exact amount you'll need to multiply by 3 then divide by 23.

For example: Let's assume the price of an item is \$1,000 plus GST, so that's \$1,150 including GST. The GST component is $\$1,150 \times 3 \div 23 = \150 .

Tax Rate Changes

As part of the tax changes released in the 2010 Budget, Tax rates will change as of the 1st of October 2010. You will need to ensure you are using the updated PAYE tables for any wages paid after October 1 2010.

Income Range	1 Apr to 30 Sep 2010	1 Oct 2010 to 31 Mar 2011	Composite Rates 1/4/2010 to 31/3/2011
0 - \$14,000	12.5%	10.5%	11.5%
\$14,001 - \$48,000	21%	17.5%	19.25%
\$48,001 - \$70,000	33%	30%	31.5%
\$70,001 +	38%	33%	35.5%

Petrol Rebates

For many years people who buy petrol to use off-road have been able to claim back the part of the cost of petrol that is excise duty. The process of claiming this refund has often discouraged many people from making these claims.

Recently however the amount of excise duty paid has increased to 55 cents per litre. Many farming and orcharding clients have one or two quad bikes, the odd motorbike, a chainsaw, post hole borer or other machine that runs on petrol. Some properties may well be using upwards of 2,000 litres of petrol in a year. At 55 cents per litre they are entitled to claim a rebate of more than \$1,000 if the bookwork and quarterly claims are lodged.

You do have to send in copies of petrol purchase receipts and also record stocks of petrol on hand at the end of each quarter - however once you get into a routine this should not be too much hassle. The form to apply for these refunds is a MR70 and can be found on the NZ Transport Agency website www.nzta.co.nz

Kiwisaver to be 10%

The Government is extending the contribution rates allowed to Kiwisaver. Currently the rates are 2%, 4% and 8%. New rates of 6% and 10% are to be added. Great news for those nearing retirement, who may be keen to use the 10% rate.

Did you Know!

Trade Marks - Your Company Name

The registration of a company under a particular name only provides minimal name protection. If you want to ensure that the company name is protected from use by others, you should consider registering the company name as a trade mark.



Around the office

A few anniversaries around the office in the last month - Jasmine, Irena and Danielle have been with BRG for three years and Leonie for four.

On a sporting front, Leonie's (our office manager) son Michael and his Rugby Team, Te Puke Sports Colts recently won the Bay Wide Colts Rugby Championship and went undefeated (20 from 20) during the regular season. Future All Blacks in the making? Possibly!

In addition, here is a quick note from one of our accounting team members Vicki Herdman, coach of the Te Puke High School squash team who recently competed at the NZ Secondary Schools Squash Teams Event held in Christchurch on the 6th to the 8th of August.

'Congratulations to our talented juniors who represented Te Puke High School at this event. Boys team were seeded 9th and played extremely well to finish 6th – awesome. Girls A team were seeded 2nd and were upset in semis - finished a creditable 3rd against no.1 seeds Christchurch and the Girls B team kept their seeding of 10th and have the experience to return next year and improve.

So the Girls A returned home with their bronze medals. Best of all Boys and Girls are the inaugural winners of the Cup for best Co-ed School in NZ – Yay' - Vicki

Important Dates

Date	Category	Description
20 August	PAYE	<ul style="list-style-type: none">Employer monthly schedule (IR 348) due for small employersEmployer deductions (IR 345) form and payment due for small employers for the period 1 July to 31 July
28 August	GST	<ul style="list-style-type: none">Return and payment due for period ended 31 July
28 August	Provisional Tax - Standard or Estimation Option	<ul style="list-style-type: none">1st Instalment (March balance date)

There's no use talking about the problem unless you talk about the solution. - Betty Williams