

CAN I CLAIM A TAX CREDIT?

You can claim a tax credit if you're an individual (not a company, trust or partnership) and you:

- earned taxable income (eg, salary, wages, benefit, self-employed income, interest) in the income year you're claiming for, and
- were a NZ resident for tax purposes at any time during the tax year.

WHAT CAN I CLAIM?

Donations

A donation is a gift of money made voluntarily to a school/kindergarten or a donee organisation, where there is no identifiable direct benefit to the donor, or the donor's family.

If you have receipts, you can claim a tax credit for donations of \$5 or more.

Go to www.ird.govt.nz for a list of approved donee organisations.

School/kindergarten donations

You can claim a donation tax credit for school fees or state run kindergartens as long as they go to the general fund. In order to claim a tax credit, a receipt must have the word "donation" written on it.

Church donations

A church donation is an unconditional donation to a donee church organisation or group. Place all church donations in Box 4. If you made a donation through a church to an unrelated charitable organisation, place this amount in Box 5.

Childcare

If your child(ren) was either under 18 or unable to work because of a disability and you paid a person or organisation (eg, a crèche, Barnardos, kindergarten) for childcare and have receipts, you can claim this tax credit if:

- you were a single parent, or
- you and your spouse/partner were in employment/self-employed (this doesn't apply to couples who are separated), or
- you or your spouse/partner were disabled or physically unable to care for your child(ren).

Housekeeper

You can claim a housekeeper tax credit if you have receipts to show you paid for a housekeeper, because you or your spouse/partner were disabled or physically unable to look after the home. This doesn't include amounts covered by subsidies and reimbursements.

Note: You can't claim the childcare or housekeeper tax credit if you live in a communal home such as a rest home or hospice, unless you or your spouse/partner live in the communal home and are regularly involved in running it.

HOW DO I MAKE A CLAIM?

If you claimed one of these tax credits last year, we'll automatically send you a *Tax credit claim form* (IR 526). Or you can get a copy from www.ird.govt.nz or by calling our self-service line on 0800 257 773. Please have your IRD number with you.

Send the completed form back to us and we'll calculate your entitlement for you. Remember to include all your receipts for donations, childcare and housekeeper payments.

DONATION RECEIPTS

All receipts must contain:

- your and/or your spouse/partner's name
- the amount and date of the donation
- a clear statement that it is a donation

- the signature of an authorised person
- an official stamp with the name of the donee organisation.
- the word "copy" or "replacement" if it's a replacement receipt.

HOW MUCH CAN I CLAIM?

- The total donations, childcare and/or housekeeper payments you claim can't be more than your taxable income for the year.
- If you need to file an IR 3 income tax return, we may need your return to check your taxable income before we can process your claim.
- To avoid delays you can either file your claim with or after your IR 3 or we may send you a letter advising we need your return.

Claiming donations

If you're claiming for donations made in the tax year ending 31 March 2009 and future years, you can claim the lesser of:

- 33.3333% of the total donations you've made, or
- 33.3333% of your taxable income.

If you're claiming for donations between the tax years 31 March 2003 to 31 March 2008, you can claim the lesser of:

- 33.3333% of the total donations you've made, or
- \$630 ($\$1,890 \times 33.3333\%$), or
- 33.3333% of your taxable income.

Claiming childcare and/or housekeeper payments

The maximum amount you can claim for childcare and/or housekeeper payments is \$310 per family. If both you and your spouse/partner are claiming a portion of the childcare and/or housekeeper payments then the tax credit must be split. For example, if you're claiming the maximum of \$310, you can each claim only \$155.

- 33% of the total payments you've made, or
- \$310 ($\$940 \times 33\%$), or
- 33% of your taxable income.

SHARING RECEIPTS WITH YOUR SPOUSE/PARTNER

If your spouse/partner has taxable income they may be eligible to claim the balance of your receipts.

Example

Your taxable income is \$1,000, but you have receipts of \$1,500. You're only eligible to claim \$1,000. If your partner/spouse has income of \$500 or more, then they can claim the other \$500.

YOUR TAX CREDIT REFUND

Inland Revenue uses truncation rather than rounding to the nearest cent, for all tax credit refund amounts. This means if you calculate you're entitled to a tax credit of \$99.9999, your refund will be truncated to 2 decimal places, eg, \$99.99 rather than being rounded to the nearest cent.

WHAT HAPPENS NEXT?

You'll receive a notice of your tax credit amount within six weeks unless we need to wait for your income tax return to be filed. If we need your income tax return we will send you a letter requesting this.

Your tax credit amount will be direct credited to the bank account nominated on your form, unless you have any arrears owing from previous years (that aren't under an instalment arrangement) or if you have any child support arrears, or if you asked for it to be transferred to another account.

If you send in your form and later want to make another tax credit claim for the same tax year, send us your additional receipts with your name, address and IRD number, and we'll update your claim.