

TAXTALK

AML: Law Changes

Justice Minister Andrew Little has launched a public information campaign to raise awareness about the problem of money laundering by domestic and foreign criminals here in New Zealand.

"The Keep Our Money Clean campaign is about keeping our international corruption-free reputation and making sure Kiwi businesses are informed and prepared," says Andrew Little.

"The campaign starts today and uses print and digital advertising. It will run in four phases as new business sectors come under the Anti-Money Laundering and Countering the Financing of Terrorism Act.

"New Zealanders are rightly proud that our country is free from corruption. To keep it that way we need all Kiwi businesses to be vigilant so criminals with dirty money won't do us any harm.

"Money launderers undermine our country's financial and justice systems, and leave us vulnerable to trans-national crime. If the world loses confidence in us, our ability to protect our financial channels, our hard-won international financial and trade reputation will be at risk.

"The Government has prepared 'Keep our Money Clean' information packs for law practices, accounting business agents and real estate agents so that customers can understand the anti-money laundering requirements those businesses are required to uphold.

"Some customers will be asked for extra information, such as identification, when they're conducting business. That's how we'll keep our country safe together," says Andrew Little.

Additional information:

The Anti-Money Laundering and Countering the Financing of Terrorism Act (2009) (AML/CFT) affects lawyers from 1 July 2018, accountants from 1 October, real estate agents from 1 January 2019 and high value goods dealers and the New Zealand Racing Board from 1 August 2019.

in this issue >>>

- AML Law Changes
- Write Attention-grabbing Headlines
- Telling the NZ story
- Payments for babies born or due from 1 July
- Another Home Business Calculation
- Some Thoughts About Buying a Car
- Home business Require Discipline

Write attention-grabbing headlines



If you want an article noticed by your readers, make sure your headlines are well written. Along with images, headlines grab readers' attention, so make sure they have impact.

There's a way of analysing your headline online, at <https://coschedule.com/headline-analyzer>

As with any online resource, treat it as a tool, not as your master. Only you know what you want to say. Also, the analyser requires a sign-in, so tell it as little as possible about yourself, and sign out of emails if it sends you them unsolicited.

Headlines are no longer just for print media. They're important for your emails, social media posts and websites. Even TV is using them now – notice how a newsreader or reporter often starts a report with something like, "Shots in the street ..."

Here's a quick checklist for your headlines:

- Does it grab attention, or is it ho-hum?
- Is it brief (don't be tempted to tell the whole story in a headline)?
- Write as though you are talking.
- Is the spelling and grammar correct? But deliberate errors can catch the eye. Like "to boldly go..." (Star Trek) A split infinitive.
- Is it factually correct?
- Does it accurately reflect what's in the story?
- Is it active, in other words does it have an active verb in present tense (the difference between "Man bites dog" and "Dog bitten")? Aim for active language – in the story, too.
- Keep your headlines in lower case. There's no need to capitalise every word.

Use power words – these should make readers curious and trigger an emotional response that acts as a magnet. They should make your readers want to know more. An internet search will provide plenty of examples of power words.

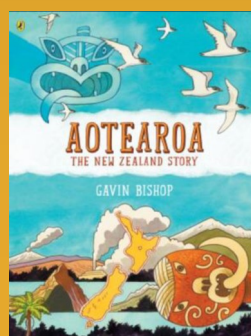
Telling the NZ story

Tourism New Zealand, New Zealand Trade and Enterprise, and Education New Zealand have led the way in creating the group New Zealand Story.

The group offers assistance to businesses of all sizes. You can get resources such as:

- images
- video footage
- infographics
- information from international markets
- 'How to' guides.

Go to: <https://toolkit.nzstory.govt.nz/>



Payments for babies born or due from 1 July

From 1 July 2018 the Government started weekly payments of \$60 per child, known as Best Tax, until the child reaches the age of one.

To qualify, a baby had to be due on or after this date. Therefore, if it was born a little early, it could still qualify. Best Tax can be extended to three years for families with a household income of less than \$79,000.

Anyone eligible will be able to apply through the SmartStart website when they register their baby's birth.

The paid parental leave has been extended to a maximum of 22 weeks from the same date and subject to the same condition about the baby being expected by that date. There is a corresponding increase in the number of "keeping in touch" hours from 40 to 52. These hours allow an employee, on parental leave, to stay connected with their employer and perform work from time to time.

Another Home business calculation

There are now two ways of working out the use of home calculation.

Inland Revenue will provide a standard rate per square metre for variable costs such as power, telephone/mobile/Internet services and house/contents insurance. The rate is \$41.10 per square metre. A share of fixed costs such as rent or rates and interest on mortgage can be added to this.

The following expenses do not seem to have been considered by Inland Revenue when calculating the square metre rate: repairs and maintenance, rubbish removal, house cleaning and gardening.

The square metre rate has the advantage of saving you time because you don't have to work out the actual costs. However, there might be a price to pay for your laziness!

You will also notice telephone and Internet service are included in the square metre rate. This means you cannot claim them separately.

Alternatively, you can stay with what you have always done and use the actual figures.

For many, this may be the more attractive alternative. You are also entitled to choose which method you want to use, each year.

question time >>

Q: Section sold within 2 years – is this subject to the bright-line test?

A: Yes, read more below

A couple bought a section with the intention of building their main home on it. Before building began they found an alternative property that was already built and bought this as their home instead.

They subsequently sold the bare section of land that they had intended to build on.

Will the couple be subject to the bright-line test on the sale of the section?

ANSWER:

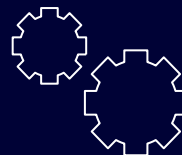
Bare land on which a dwelling can be erected is residential land. Residential land that is disposed of within two years of the date the title was registered in the person's name, if bought before 29 March 2018, or within five years if bought after 29 March 2018, will be subject to the bright-line under s CB 6A of the Income Tax Act 2007.

To be excluded from the bright-line, the property would need to meet the requirements of s CB 16A, which excludes properties that are the main home of the taxpayer. As the bare land did not have a home built on it that the couple could use as a home, the main home exclusion will not apply.

References:

Income Tax Act 2007, ss CB 6A, CB 16A.

Source: CCH/TEO Question & Answer Service



TAX SOLUTIONS

New rules for PAYE

Say goodbye to filing your PAYE returns monthly (or twice a month for bigger organisations).

From 1 April 2019 you will have to send in details of your PAYE within 10 working days of paying your staff.

If your combined deductions from salaries and wages are \$50,000 or more per year, you will also be expected to file your PAYE returns online. For smaller firms, there will be an alternative of putting in two returns per month.



WEB SOLUTIONS

We've talked in the past about emails distracting you from your important business. There's always the temptation to check an email as soon as it lands.

However, it's a better habit to check emails, and respond if necessary, at regular intervals that suit your work flow – perhaps every hour or two hours.

Most email programs, however, automatically prompt you when an email comes in. It's distracting, so turn off the prompts (or shut down the email program until you're ready).

To turn off prompts in Outlook (the most common email program), go to File > Options > Mail > Message Arrival.

The four boxes will be ticked, so just untick them.

Some thoughts about **buying a car**

Buying a car is a big investment, so put some time into doing your homework. The more you can find out about what is available in a car, the more easily you can prioritise your wants.

Some modern innovations include the ability for the car to reduce speed or stop quickly before a collision, blind-spot monitoring, lane assist (warns you when you are wandering out of your lane), automatic dipping of headlights, superb sound systems and so on.

When you're buying a car, you could have two lists – "must have" & "would like to have". Use the internet to do your homework. Find the specifications for the cars and make comparisons.

What about the effect of a new car on your customers? Does an expensive car put them off? Would you prefer to go to a sharebroker who drives a dunger or something smart? Which one would be likely to give you the better advice? Would you rather deal with someone who has the trappings of failure or success?

The same logic probably applies to your business. Incidentally, how many people ever notice what you drive, anyway?



Quick Quote

If we had no winter, the spring would not be so pleasant; if we did not sometimes taste of adversity, prosperity would not be so welcome. ~ Anne Bradstreet

Home business **require discipline**



Running a home business has some great rewards, but it requires planning & discipline if it's going to be successful. If you're thinking about starting a home-

based business, or about bringing an established business into your home, here are a few things to consider.

Will you isolate yourself from your clients? If your clients are used to visiting you, you'll likely have to meet them somewhere else. A good local café is ideal, but talk to the owners about a table that's quiet. You might have space available at home, but ensure it's office-like & out-of-bounds of family. Make sure visitors have somewhere to park.

Can you separate business from home? There are always distractions at home. There's washing, dishes or gardening to do. Stick to business during business hours. When children come home, can you still lock yourself away until the end of the working day? Will you feel obliged to deliver/collect children to/from school?

Does the family understand you can't be interrupted at certain times of the day? In the 21st century, there is more of an expectation of sharing chores. If your partner is working outside the home, or

a stay-at-home parent, will you feel you have to take your turn preparing the evening meal? Chores such as this will eat into your working day in a way which would not apply if you were working away from home. Setting the guidelines around chores, family & "work" time is one of the most difficult things to do, but one of the most important.

Do you have the space? If you're crammed into a spare bedroom or garage, you won't last. Set aside the right space for your business.

Can you walk past the office directly to bed? There's always the distraction of checking emails or finishing a piece of work before bed. Chances are you'll be there much longer than you intended. Shut the office door at the end of the day & leave it closed.

Can you walk past the fridge without opening it? It's a distraction that few who work from home consider. Many have put on weight because they can eat when they feel like it!

Do you have room to expand, with new staff or storage? Think about the future. If you want to keep the business at home, how can you expand? It might be adding an extra room.

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We care about your Business Prosperity

