

Estate or trust income tax return notes and worksheet

IR6N(18)
March 2018

1 April 2017 to 31 March 2018

Who needs to file an IR6 return?

If you are a trustee of a trust, or the executor or administrator of a deceased person's estate you need to file an IR6 to account for the income the estate or trust earns.

Have you received any income from the sale/disposal of property?

Show any income from taxable property sales at Box 16 of the return, if not already included elsewhere in the return. A *Property sale information* (IR833) form may also need to be completed if not already done.

Under the bright-line test for the sale/disposal of property, if the estate or trust acquired residential property on or after 1 October 2015 and sold it within two years, any gain will need to be accounted for.

Residential land withholding tax (RLWT) credit

If the estate or trust is an "offshore RLWT person" and has sold or transferred residential property located in New Zealand, RLWT may have been deducted from the sale price. Enter the amount of any RLWT deducted from the sale price, less any RLWT paid back to the estate or trust and/or transferred to outstanding amounts during the income year. If there was more than one amount deducted, show the combined amount. Print the total in Box 16AA.

Show the name of the estate or trust's withholder(s) in the "Name of payer" box.

Calculate tax on taxable income of beneficiaries, using the tax rates below.

2018 annual tax rates

Income range tax rate	Tax rate
Income to \$14,000	10.5%
\$14,001 - \$48,000	17.5%
\$48,001 - \$70,000	30.0%
\$70,001 and over	33.0%

Use this worksheet to calculate the net loss to carry forward to 2019

Trustee's share of imputation credits from Box 25E of the return.	1	\$	
Tax on trustee income from Box 25D of the return.	2	\$	
Subtract Box 2 from Box 1. Print your answer here.	3	\$	
Divide Box 3 by 0.33 (33%). Print your answer here.	4	\$	

The amount in Box 4 is the net loss to carry forward to 2019.

Nil trust returns

If the trust receives any income, eg, interest, the trustee must file a return regardless of the amount of income derived. Where a trust has no prospect or intention of deriving any income in a given financial year, please call us on 0800 377 774 with the name and IRD number of the trust so we can record that a return isn't required for that year. If the trust subsequently derives income in a future year, the trust must send in a return.

This only applies to trust returns. Estates are still required to file a return of income regardless of whether they have derived income.

Need more information?

For further information about completing your return see our *Estate or trust return guide (IR6G) 2018* at www.ird.govt.nz (search keywords: IR6G 2018) or call us on 0800 257 773 (key phrase: order the IR6G) to get a copy.

Personal information

If any preprinted information on the front page of your return is incorrect please update it in the spaces provided.

International obligations

You may also need to provide information about a trust to comply with the following international obligations.

Common Reporting Standard (CRS)

For further information see

- *IR Guidance on the CRS* (IR1048 section 11)
- *CRS: Is the Trust a Reporting NZ Financial Institution* (IR1052)
- *Family Trust obligations under the CRS* (IR1053) or go to www.ird.govt.nz/crs

Foreign Account Tax Compliance Act (FATCA)

For further information see

- *FATCA Trusts Guidance* (IR1087)
- *FATCA status of NZ trusts that are not US persons* (IR1086) or go to www.ird.govt.nz/fatca

Provisional Tax calculation

Use this worksheet to calculate the estate or trust's 2019 provisional tax using the estimation option.

Print the estate or trust's estimated 2019 income to be allocated in Box 1.

1 \$

Estimated allocation of income:

• Beneficiary income

2 \$

• Trustee income

3 \$

Work out the tax on the amount in Box 2, using the 2018 annual tax rates (see page 50 of the IR6 2019 guide for more information). Print your answer in Box 4.

4 \$

Multiply the amount in Box 3 by 0.33 (33%). Print your answer in Box 5.

5 \$

If the estate or trust is noncomplying, multiply the estimated taxable distributions, if any, by 0.45 (45%). Print your answer in Box 6.

6 \$

Add Boxes 4, 5 and 6. Print your answer in Box 7.

7 \$

Print the estimated 2019 credits (trustees' share only) in Box 8.

8 \$

Subtract Box 8 from Box 7. Print your answer in Box 9. Box 9 is the estate or trust's 2019 provisional tax.

9 \$

Copy it to Box 29B of the return and print E in Box 29A.

Divide the amount in Box 9 by three to get the amount to pay for each instalment.

If you need more help read our guide *Provisional tax* (IR289).

RESET FORM

Getting a refund?

The fastest and safest way to receive your refund is by direct credit to your bank account. Please check the correct bank account number is preprinted at Question 6 of your return. If your bank account number showing is incorrect or isn't preprinted, please include it at Question 6 of your return.

Return and payment due dates

Complete your IR6 return and send it to us by 7 July 2018. If you have tax to pay, you must pay it by 7 February 2019. If you have an agent or a non-standard balance date these dates may be different.

Send the completed return to us at:

Inland Revenue
PO Box 39090
Wellington Mail Centre
Lower Hutt 5045