Inland Revenue
Te Tari Taake

IR284
September 2020

Resident withholding tax (RWT) on dividends

- payer's guide

What you need to know about RWT when you pay dividends

Introduction

This guide tells companies that pay dividends what they must do under the resident withholding tax (RWT) laws. It tells you when you must deduct RWT from dividends, when to pay the deductions to us, and what information you must give to us and the people who receive the dividends.

In most places in this booklet, resident withholding tax is called RWT.

For more information on RWT on interest, refer to our **RWT on interest - payer's guide - IR283**. You can get this from our website **ird.govt.nz** or order a copy by phoning us on 0800 257 773.

The information in this booklet is based on current tax laws at the time of printing.

Contents

Part 1 - General information

RWT - what it is and why we have it

Resident withholding tax (RWT) is a tax that is deducted from investment income before the investor receives it.

It helps people who receive investment income to pay their tax throughout the year, and makes sure that people who do not declare their investment income still have tax deducted from it. Inland Revenue still follows up on undeclared investment income and takes action against people who do not declare it.

Note

RWT must be accounted for the period 1 April to 31 March, regardless of your accounting year.

Income that must have RWT deducted

RWT is deducted from interest on money lent as well as on dividends, including Māori authority distributions. This guide deals only with RWT on dividends. For more information about RWT on interest, read our booklet IR283. For more information about RWT on Māori authority distributions, read our booklet **Becoming a Māori authority - IR487**. You can get these booklets from our website **ird.govt.nz/forms-guides** or order a copy by phoning us on 0800 257 773.

Registering as an RWT payer

We automatically register all companies as dividend RWT payers. Any payments can then be credited to a separate RWT account for each company.

However, any company, agent or trustee that pays dividends treated as interest will need to register in myIR.

Manage all your Inland Revenue matters securely online with a myIR account. Go to **ird.govt.nz/myIR** to find out more.

Dividends liable for RWT

Cash dividends

This covers most dividends, other than non-cash dividends and dividends treated as interest.

Non-cash dividends

Companies may provide other benefits to shareholders rather than paying a cash dividend. These benefits are also treated as dividends for tax purposes, and RWT must be paid on them. These benefits include:

- loans to shareholders that are forgiven or become irrecoverable or unenforceable through the lapse of time, or where the shareholders benefit from being released or discharged, by operation of law or otherwise, from the obligation to pay an amount of the loan
- property distributed or sold to shareholders at less than the market price (the difference between the market price and the actual price paid is the dividend)
- use of company property by shareholders for inadequate consideration, such as interest-free loans (broadly speaking, the difference between the market value and the actual consideration is the dividend)
- non-deductible expenditure of a close company, for the benefit of a shareholder, for example, private travel
- taxable bonus issues - any bonus issue made instead of a dividend, or a bonus issue that the company elects to be a taxable bonus issue
- property acquired from a shareholder at above market value
- non-executive director shareholder in that capacity
- dividends in relation to a group investment fund
- Māori authority distributions.

Note

Non-cash benefits paid to shareholders, who are also employees of the company or trust which paid the benefits, may be subject to fringe benefit tax (FBT) rather than RWT. For more information on FBT, read our **Fringe benefit tax guide - IR409**. You can get this from our website **ird.govt.nz/forms-guides**

Dividends treated as interest

Dividends treated as interest are dividends paid in relation to shares issued by a company that at the time of payment is any of the following:

- a company not resident in New Zealand
- a company that has a constitution that does not allow all its income or property to be distributed to a proprietor, member or shareholder
- a company whose income is exempt (with some exceptions)
- a company solely engaged in New Zealand in life insurance or re-insurance.

Dividends not liable for RWT

Companies do not have to deduct RWT from the following:

- dividends paid between members of the same group of companies at the time of payment
- excess remuneration paid to relatives, directors and shareholders, or non-deductible rebates to members of mutual associations, which Inland Revenue declares to be dividends
- dividends paid to those on the RWT exemption register
- dividends paid to non-residents
- dividends paid by a qualifying company
- dividends payable by a building society in relation to withdrawable shares and dividends paid by friendly societies to its members (these are treated as interest, so RWT on interest is deducted).
- the use of company property by shareholders in a flat-owning company
- dividends that are exempt from income tax under any act other than the Income Tax Act 2004
- attributed repatriation, ie dividends to a shareholder with an income interest of at least 10% in a controlled foreign company
- dividends that are non-resident withholding income
- dividends that are exempt income under section CW 9 and CW 10 of the Income Tax Act 2007 or CB 10 of the Income Tax Act 1994
- a fully imputed dividend paid to another company, if the company paying the dividend chooses not to deduct RWT (applies to dividends paid on or after 1 April 2017 only)
- an amount treated as a dividend under section CB 32C (which relates to the amount of income for some look-through owners in the first year of a look-through company) of the Income Tax Act 2007 (applies for the 2017-18 and later income years only).

Dividends paid by qualifying companies

A New Zealand resident company with five or fewer ultimate shareholders can elect to become a qualifying company. Dividends paid to New Zealand resident shareholders by a qualifying company are not subject to further tax in the hands of the shareholder. The dividend is the shareholder's exempt income if it exceeds total imputation and dividend withholding payment (DWP) credits attached, divided by the basic rate of income tax for companies in the year it is derived.

If you would like more information about qualifying companies, read our booklet **Qualifying companies - IR435**. You can get this from our website **ird.govt.nz/forms-guides**

Flat-owning companies

Flat-owning companies are not business companies - they are set up to own residential property. Having shares in the company entitles the owner to use of the property.

The use of the company property would ordinarily be treated as a non-cash dividend to shareholders, but an exemption applies if the company meets both of the following conditions:

- its rules or constitution allow each shareholder to use the property
- its only assets are residential property and funds are reserved for maintenance and other expenses on the property.

Significant Enterprises

Our Significant Enterprises team is responsible for all business taxpayers with a group turnover of greater than $100 million, and taxpayers subject to special legislation such as those involved in mining and crown entities, plus large businesses involved in industries for which specific tax legislation applies.

All Significant Enterprises business services areas are located in Wellington and Auckland. If you are a Significant Enterprises customer, please contact Significant Enterprises directly with any enquiries.

Go to **ird.govt.nz/contact-us** to find the right Significant Enterprises phone number or mailing address.

Part 2 - Filing and payments

Note

Investment income information must be provided to us electronically.

This part explains record keeping requirements and what a company needs to do for each of the three types of dividends - cash dividends, non-cash dividends and dividends treated as interest. It also explains when and how to make payments to us.

Companies need to work out the RWT on dividends paid, and pay us the RWT by the due date. They also need to let shareholders know about the dividends paid, and the credits attached.

Other credits attached to dividends that will affect the RWT calculation are:

- **Dividend withholding payment credit**

  This credit comes from the amount paid by a company when it receives a dividend from a non-resident company. The credit can then be attached to dividends the company pays.

- **Imputation credit**

  This is a portion of the New Zealand income tax paid by a company on its taxable profits, and passed on to shareholders, so the dividend is not taxed twice.

When to deduct RWT

A company must deduct RWT at the time it pays shareholders a dividend. For this purpose, "pay" means:

- to distribute to
- credit to an account
- to deal with in a person's interest, or on behalf of that person.

It does not mean the date a dividend was declared.

Note

No RWT to pay

If you have no RWT to pay for the month, you do not need to file any income information.

Record keeping

Companies paying dividends and deducting RWT must keep a record of:

- total dividends paid
- total amount of RWT and date it was deducted
- full name, IRD number and last known address of the recipient
- date of birth if provided
- any number used in paying the recipient (such as an account number).

Agents paying dividends should also keep a record of the RWT on dividends treated as interest.

If the company is attaching an imputation credit, or dividend withholding payment credits to a dividend, there are further requirements. For more information on imputation and dividend withholding payment credits, read our booklet **Imputation - IR274**. You can get this from our website **ird.govt.nz/forms-guides**

You must keep your records for seven years and they must be in English or Māori, unless you get approval from us to use another language.

We may ask you to keep your records for an additional three years if auditing or investigating you. Failure to keep adequate records is a very serious matter and can result in a fine.

If you want to know more about audit procedures, read our guide **Inland Revenue audits - IR297** at **ird.govt.nz/forms-guides**

Monthly information

You must provide us with your investment income interest payment information electronically by the 20th of the following month the interest was paid.

You will need to provide:

- your name, IRD number and contact address
- the total amount of dividends paid
- the date on which the dividend is declared and the payment date of the dividend
- the total amount of tax withheld
- the total amount of imputation credits provided and imputation ratio
- for dividends paid in AUD$ by an Australian ICA company, the exchange rate used and the AUD$ used to calculate the imputation ratio.

For each of the people who received dividends, the following information will be required:

- their name and contact address (email, street address or mobile phone number)
- the amount and type of income paid to them
- the tax withheld from it
- the date the tax was withheld
- the imputation credits attached, if any.
- The number of shares for which the dividend is declared, or in the case of a dividend that is a bonus issue, the number of shares included in the bonus issue
- the date on which the dividend is declared and the payment date of the dividend
- in the case of a dividend that is a bonus issue, the amount of the bonus issue.

For each of the people who received dividends, the following information will be required if you have it:

- their IRD number and date of birth
- the tax rate used
- the name, IRD number, date of birth and contact address of any joint owners.

This information is due by the 20th of the month following the month in which the dividend is paid. You will not need to file a nil return.

You must also pay any tax withheld to Inland Revenue by the 20th of the following month.

There are a number of electronic channels for filing to choose from, including:

- Gateway web service (suitable for large volume filers)
- file upload through myIR, and
- online form via myIR (this may suit if you are filing for a few accounts).

Exemption from RWT

Do not deduct RWT from any interest you pay to taxpayers who are on the RWT exemption register or advise they are exempt under another Act other than the Income Tax Act.

Checking the RWT exemption register

The IRD number of everyone with RWT exempt status is listed on the RWT exemption register on our website at **ird.govt.nz/rwt-exemption.**

Use this register to confirm who has an active RWT exempt status and to identify people and organisations who no longer have an exemption.

Most exemptions from RWT are issued for an unlimited period and remain active on the register unless they're cancelled. These active exemptions don't show an end date. If the exemption is granted for a limited period, an end date (or expiry date) will also be shown.

The register is updated overnight every business day (Monday to Friday) providing you with near real-time information.

Make sure that the person you're paying the resident passive income to is the person listed on the register.

Unincorporated bodies

If an unincorporated body of persons, such as a partnership or a joint venture, has exemption for a taxable activity, they are exempt in the name of the body and not in the name of the individual members.

If the body is a trustee, the exemption is granted in the name of the trust.

Cancelling exempt status

If we cancel an exemption, you must deduct RWT from any further interest you pay to that person or organisation.

We may cancel an exemption if the person or organisation:

- no longer meets the conditions for which it was issued
- has provided misleading information in the application for exemption
- doesn't meet the $2 million target (where the exemption was granted on the basis of estimated income of more than $2 million) or fails to supply satisfactory evidence of annual income
- fails to pay any income tax payable by the due date.

When we cancel a person's or organisation's RWT exempt status, we also update their status on the RWT exemption register. Once this cancellation appears on the register, you have five working days to amend your records and start deducting RWT where appropriate.

Cash dividends

Calculating RWT on cash dividends

RWT is currently calculated at a rate of 33 cents in every dollar of the gross dividend. The gross dividend includes any credits attached to that dividend. The RWT is then reduced by any imputation credit and dividend withholding payment credit attached to that dividend.

This can be expressed by the following formula:

$(a \times (b + c)) - c$

In this formula:

a is the current RWT rate on dividends (33%)

b is the amount of the dividend paid (but before deducting RWT)

c is the **total** of the following amounts:

i. if the dividend is paid in relation to shares issued by an imputation credit account (ICA) company, the amount of an imputation credit attached to the dividend

ii. if the dividend is paid in relation to shares issued by a company not resident in New Zealand, the amount of foreign withholding tax paid or payable on the amount of dividend.

If the dividend is fully imputed there will be an amount of RWT to pay.

Example

ABC Ltd pays a cash dividend of $2,000. It attaches a $200 imputation credit to the dividend.
Using the above formula, RWT is calculated as follows:

a = 0.33
b = $2,000
c = $200
(0.33 × ($2,000 + $200)) – $200
= (0.33 × $2,200) – $200
= $726 – $200
= $526 RWT payable

The net dividend paid to the shareholder is $1,474.

Note

For dividends paid on or after 1 April 2017 a person can choose to apply this formula to determine the amount of RWT to deduct when a non-cash dividend is paid at the same time as a cash dividend. For this to apply the amount of the cash dividend has to be equal to or greater than the amount of RWT payable under the formula.

Shareholder dividend statement

A company or agent paying ordinary dividends must give the shareholder a dividend statement whenever RWT is deducted from a dividend in a form approved by the Commissioner of Inland Revenue. The statement must show:

- the name and IRD number of the company
- the date the dividend was paid
- the name and address of the shareholder receiving the dividend
- the IRD number of the shareholder receiving the dividend
- the amount of any RWT deducted, or NRWT deducted if a non-resident
- the amount of the dividend paid excluding imputation credits
- the amount of any imputation credit attached to the dividend
- the amount of any dividend withholding payment credit attached to the dividend
- the sum of the dividend paid to the shareholder and the total credits.

Example

ABC Ltd shareholder dividend statement

Date	31 March 20XX
Shareholder	A N Investor Box 999 Marketville
IRD number	XX-765-432
Dividend	$ 2,000
Imputation credit	$ 200
Dividend withholding payment credit	$ 0
Taxable gross dividend	$ 2,200
RWT	$ 526
Net dividend received by shareholder	$ 1,474

Non-cash dividends

Calculating RWT on non-cash dividends

For non-cash dividends (except a bonus issue in lieu or a share issued under a profit distribution plan), the RWT is calculated on the value of the dividend paid. The formula is:

$$\left(\frac{a}{1 - a} \times b \right) - c$$

In this formula:

- **a** is the current RWT rate on dividends (33%)
- **b** is the amount of the dividend paid (but before deducting RWT)
- **c** is the **total** of the following amounts:
  - i. if the dividend is paid in relation to shares issued by an ICA company, the amount of an imputation credit attached to the dividend
  - ii. if the dividend is paid in relation to shares issued by a company not resident in New Zealand, the amount of foreign withholding tax paid or payable on the amount of dividend.

If the dividend is fully imputed there will be an amount of RWT to pay.

Note

As you cannot make a deduction from a non-cash dividend, the company must pay us an amount equal to the RWT that would have been deducted if the dividend was a cash dividend.

Example

Dollar Corp, an ICA company, forgives a loan of $750 to a shareholder, so this is a non-cash dividend. An imputation credit of $50 is attached to this non-cash dividend. The RWT is calculated as follows:

a = 0.33

b = $750

c = $50

$$\left(\frac{0.33}{1 - 0.33} \times \$750 \right) - \$50$$

= (0.492537 × $750) – $50

= $369.40 – $50

= $319.40 RWT to pay

This RWT is not deducted from the dividend as there is no actual payment. Instead, Dollar Corp pays the amount of RWT to us. The shareholder shows the gross dividend (the total of the dividend, imputation credit and RWT) as income in their tax return. This will be:

Forgiveness of debt	$ 750.00
Imputation	$ 50.00
RWT	$ 319.40
Taxable dividend income	$ 1,119.40

The shareholder claims the imputation and RWT credits in the overall tax calculation. The net dividend received by the shareholder is still $750 - unchanged by the RWT calculation.

Note

For a bonus issue in lieu, work out the RWT using the same formula as for cash dividends.

Advice to shareholders

A company or agent paying non-cash dividends must give the shareholder a dividend statement whenever RWT is deducted from a dividend. The statement must show the same information as the example on page 20 and must be approved by the Commissioner of Inland Revenue.

Calculating RWT from a bonus issue in lieu or from a share issued under a profit distribution plan

A bonus issue in lieu means a bonus issue made by a company under an arrangement giving shareholders the choice whether to receive a bonus issue, or money, or money's worth.

A profit distribution plan is a scheme in which a company notifies some or all of its shareholders that shares will be issued on a particular date and gives those shareholders the choice to have some or all of the shares issued to them repurchased by the company.

The amount of RWT for these types of payments is calculated as follows:

$$(a \times (b + c)) - c$$

In this formula:

- **a** is the current RWT rate on dividends (33%)
- **b** is any of the following, as applicable:
    - i. for bonus issues in lieu, the net amount of money offered as an alternative to the bonus issue (but before deducting RWT), or
    - ii. for shares issued under a profit distribution plan, the net amount offered by the company for the repurchase of the share (but before deducting RWT).
- **c** is the **total** of the following amounts:
    - i. if the dividend is paid in relation to shares issued by an ICA company, the amount of an imputation credit attached to the dividend
    - ii. if the dividend is paid in relation to shares issued by a company not resident in New Zealand, the amount of foreign withholding tax paid or payable on the amount of dividend.

Note

If the calculation results in a negative amount, no RWT should be deducted.

Dividends treated as interest

Calculating RWT on dividends treated as interest

For dividends treated as interest, work out the RWT using the same formula as for cash dividends.

Most dividends treated as interest will not have imputation credits attached, which makes the formula simpler. However, agents or trustees may receive dividends with imputation credits attached. In this case, the agent or trustee must take the imputation credit into account when working out the RWT on the dividend. When the dividend is passed on to the final recipient, it will have both imputation and RWT credits.

Calculating RWT on cash and non-cash dividends paid at the same time

To the RWT obligation when cash and non-cash dividends are paid at the same time with the two dividends treated as a single dividend use the formula:

$(a \times (b + c)) - c$

In this formula:

- **a** is the current RWT rate on dividends (33%)
- **b** is the total amount of the cash dividend and the non-cash dividend paid (but before deducting RWT)
- **c** is the total of the following amounts:
  - i. if a dividend is paid in relation to shares issued by an ICA company, the total amount of imputation credits attached to the dividends
  - ii. if a dividend is paid in relation to shares issued by a company not resident in New Zealand, the amount of foreign withholding tax paid or payable on the total amount of dividends.

Custodians withholding and investment information reporting requirements

Generally, custodians that are exempt from RWT and receive investment income on behalf of their clients are required to withhold tax and pay this to the Commissioner along with providing investor investment income information for on-payments or transfers of the income to their clients.

Only where a third party agrees to take on and completes these requirements, or another custodian above you in the chain takes on these requirements will you be relieved from them.

If sufficient tax has already been withheld and paid by the investment income payer, then a custodian or third party who has taken on the requirements need only provide the investor information.

There are certain variations to the reporting requirements that can apply. Refer to the technical specifications for your channel of filing the information for the details.

For more information read our **Tax Information Bulletin** Vol 32 No.4.

How to make payments

Go to **ird.govt.nz/pay** to find out about paying by:

- internet banking
- credit or debit card
- direct debit

You can also call 0800 257 777 to pay by credit/debit card over the phone.

When making a payment, include:

- your IRD number
- the account type you are paying
- the period the payment relates to.

Correcting errors in investment income reporting

If you find you've made a mistake, for example, you have not deducted RWT when you should have, you have deducted too much or too little, or you have deducted NRWT but the recipient is not a non-resident, the next few sections explain what you need to do.

You can correct errors occurring within a tax year, regardless of their size. There is no need to let us know about these errors.

Correcting errors from earlier years

Errors relating to earlier years can be corrected if the total value of the adjustment does not exceed the larger of:

- $2,000, or
- 5% of the payer's withholding liability for the tax type that the error relates to (for example RWT or NRWT) for the year in which the first payment is made.

How they are corrected depends on whether they result in too much or too little tax being deducted.

If you discover you have not deducted enough RWT, you can:

1. Deduct it from later payments made to the person
2. Ask the person to pay the amount that was not deducted
3. Adjust the amount of taxable income (only for non-cash dividends)

Whichever option is chosen, the correction must be made before the next due date for reporting investment income to us (provided it's reasonably practicable to do so).

You'll need to let us know:

- your name, IRD number and contact address
- the name and contact address (email, street address or mobile phone number) of the person who received the income
- the IRD number and date of birth of the person who received the income (if you have it)
- the adjustments made to the investment income information originally provided.

Example – too little tax being deducted and recovered from investor Company

A Ltd pays a gross dividend of $1,000 to Kelvin in June 2020.
The dividend includes $280 of imputation credits attached and needs to have RWT deducted of $50.
The company's accountant accidently deducts RWT of only $5 and pays Kelvin a net amount of $715 - $45 more than he should have received.
The company's accountant contacts Kelvin in July 2020 to inform him of the error.
Company A Ltd then pays the extra $45 to Inland Revenue and must recover the additional amount from Kelvin before March 2021.

Example – too little tax being deducted and taxable non-cash dividend adjusted

Company B Ltd provides $100 worth of shares in another company (Company C Ltd) to one of its resident shareholders.

It does not realise that the amount provided is a non-cash dividend until the company's accountant informs them at the end of the tax year when they're preparing the company's accounts.

Company B Ltd can submit investment income information on the non-cash dividend by the 20th of April following the end of the tax year.

The company will show the amount of the non-cash dividend being $149.50, with RWT of $49.50 payable to Inland Revenue.

Because this adjustment occurs outside the tax year that the non-cash dividend relates to, Company B Ltd will also have to provide Inland Revenue with information so it can allocate the non-cash dividend and tax credits to the correct tax year for the company's shareholder.

Deducting too much tax

If you discover you have withheld too much RWT, you can refund it any time before the 20th of April following the end of the tax year in which the error occurred, provided you have not provided the person who received the income with:

- an end-of-year withholding tax certificate for RWT, or
- a shareholder dividend statement, or
- a statement to a member who received a taxable Māori authority distribution.

You must let us know the amount of the refund at the time you pay it so that we do not also provide a refund.

If you do not refund the amount by the 20th of April following the end of the tax year in which the error occurred, you must tell us and the recipient how much needs to be refunded.

If the over-deduction has already been paid to us, we will:

- pay the refund to the payer if future payments to the person have been adjusted,
- pay the refund to the person who received the income if future payments have not been adjusted.

Non-residents

Interest paid to non-residents is non-resident passive income, so it is not subject to RWT. Instead, you must deduct non-resident withholding tax (NRWT). If you deduct RWT and then find out that the recipient is a non-resident, this is what you should do:

Current year

If you find the error before you have filed your reconciliation, you can simply deduct less NRWT from the next payment to that recipient, and reduce the following NRWT payment to us. If you do this, please send a letter of explanation with your reduced payment, so we know not to charge you penalties. You'll need to let us know the period you over-deducted in so we can transfer the credit to the period under-deducted.

Back-year

If you find a mistake in a previous income year, the recipient can claim the excess deductions in their end-of-year tax return, if they have an IRD number.

Please do not issue amended certificates or file an amended reconciliation.

Correcting errors from 1 April 2020

From 1 April 2020 you can correct errors occurring within a tax year, regardless of their size. There is no need to let us know about these errors.

Correcting errors from earlier years

Errors relating to earlier years can be corrected if the total value of the adjustment does not exceed the larger of:

- $2,000, or
- 5% of the payer's withholding liability for the tax type that the error relates to (i.e. RWT or NRWT) for the year in which the first payment is made.

How they are corrected depends on whether they result in too much or too little tax being deducted.

If you discover you have not deducted enough RWT, you can:

1. Deduct it from later payments made to the person
2. Ask the person to pay the amount that wasn't deducted
3. Adjust the amount of taxable income (only for non-cash dividends)

Whichever option is chosen, the correction must be made before the next due date for reporting investment income to us (provided it's reasonably practicable to do so).

You'll need to let us know:

- your name, IRD number and contact address
- the name and contact address (email, street address or mobile phone number) of the person who received the income
- the IRD number and date of birth of the person who received the income (if you have it)
- the adjustments made to the investment income information originally provided.

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The company's accountant accidently deducts RWT of only $5 and pays Kelvin a net amount of $715 - $45 more than he should have received.

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Company A Ltd then pays the extra $45 to Inland Revenue and must recover the additional amount from Kelvin before March 2021.

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Penalties and interest

Late payment

If you do not pay a bill on time, you may have to pay penalties and interest.

Contact us if you are not able to pay on time. We'll look at your payment options, which may include an instalment arrangement.

Find out more at **ird.govt.nz/penalties**

Amounts of $100 or less

Interest and late payment penalties are not charged on outstanding amounts of $100 or less.

Penalty for not filing electronically

There is a penalty of $250 for each time investment income information is not supplied to us electronically and you do not have an exemption.

If you are unable to supply your investment income information electronically, you can apply for an exemption. In considering your request we will assess:

- your capabilities
- the digital services available to you
- the compliance costs to you.

Arrangements

If you are unable to pay your tax by the due date, please contact us to discuss an arrangement for making payments. In some situations, if you are in financial difficulties, we may agree to you paying your tax and any penalties and interest this way.

Arrangements can be agreed upon before or after the due date for payment. However, there are greater reductions in the penalties charged if the arrangement is made before the due date.

Remission or cancellation of use of money interest

Interest will be remitted, or legally forgiven, only in exceptional circumstances and at our discretion. Remission occurs when interest is correctly imposed but a decision is made to relieve you of the liability to pay. For example, if we have given you incorrect advice, causing a return or payment to be late. You must be able to provide evidence to support the fact that incorrect advice was given.

Failing to account for RWT deductions

RWT that you have deducted is money held in trust for the Crown and there are penalties if you use it for any purpose other than payment to Inland Revenue.

Failing to deduct RWT

If the RWT rules require a deduction to be made, the payer and recipient cannot arrange between themselves not to deduct RWT.

In addition, fines and penalties may be incurred by anyone who fails to account for RWT deductions by:

- making a false or misleading application for RWT exemption
- falsely claiming to be the recipient named on the exemption register
- having exemption from RWT and failing to tell us when they no longer meet the conditions under which it was granted, or
- obtaining or attempting to obtain a credit for RWT deducted from someone else's resident withholding income.

For more information

If you would like more information about penalties and interest, see our booklet **Penalties and interest - IR240**.

Agents and trustees

If an agent or trustee for another person receives a dividend from which RWT was not deducted, that agent or trustee must work out and pay the RWT to us. The due date is the 20th of the month after the dividend was received.

Non-residents contact

Any dividends paid to a non-resident are liable to non-resident withholding tax (NRWT) instead of RWT.

If you would like to know more about the New Zealand tax residency rules, or about deducting and paying NRWT, read our booklets **New Zealand tax residence guide - IR292** or **NRWT - payers guide - IR291**. You can view a copy on our website **ird.govt.nz/forms-guide**

If you do not have a myIR account? Register for one now.

Foreign currency

If you are paying dividends in a currency other than New Zealand dollars, you may deduct RWT in the same currency. The tax deduction certificate will then show both the income and deduction in the foreign currency.

If you have deducted RWT in a foreign currency, you must still pay it to us in New Zealand dollars. Convert these deductions at the close of trading exchange rate on the first working day of the month after the month in which you made the deductions.

Unit trusts

You must provide us the following information electronically (unless we have given you an exemption form electronic filing):

- the name, IRD number and contact address of the unit trust.
- the total amount of dividends paid
- the total amount of tax withheld
- the total amount of imputation credits provided and imputation ratio.

For each of the people who received a dividend, the following information will be required:

- their name and address (email, street address or mobile phone number)
- the amount and type of income paid to them
- the tax withheld from it.

For each of the people who received a dividend, the following information will be required if the unit trust has it:

- the tax rate they have provided.
- IRD number and date of birth
- the name, IRD number, date of birth and contact address of any joint owners.

Part 3 - Services you may need

ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your user ID or password?

Request these online from the myIR login screen and we'll send them to the email address we hold for you.

How to get our forms and guides

You can get copies of our forms and guides at **ird.govt.nz/forms-guide**s

Supporting businesses in our community

Our Community Compliance officers offer free tax education and advice to businesses and small organisations, as well as seminars for personal tax and entitlements.

Our Kaitakawaenga Māori offer a free advisory service to help meet the needs of Māori individuals, organisations and businesses.

Go to a seminar or workshop, or request a visit from us to find out more about:

- records you need to keep
- taxes you need to know about
- using our online services
- completing your tax returns (eg GST, employer returns)
- filing returns and making payments
- your KiwiSaver obligations.

Go to **ird.govt.nz/contact-us** and select the In person option to find out about requesting a visit.

Find a seminar or workshop near you at **ird.govt.nz/contact-us/seminars**

Need to speak with us?

Have your IRD number ready and call us on one of these numbers.

Personal taxes		**Business taxes**	
General tax, tax credits, refunds, payment options, Working for Families Tax Credit payments, and paid parental leave	0800 775 247	General tax, tax credits and refunds	0800 377 774
		Employers	0800 377 772
		GST	0800 377 776
Child support (8am to 5pm Monday to Friday)	0800 221 221	Significant enterprises	0800 443 773
Student loans	0800 377 778		
International callers		**Want faster access to our services?**	
Find the best number to call at **ird.govt.nz/contact-us** Free calling does not apply to international callers.		Voice ID-enrolled customers have shorter calls and better after-hours access.	
		Enrol for voice ID	0800 775 247
		Reset your myIR password	0800 227 770
		Check your account balances	0800 257 777
		Order forms and guides	0800 257 773
If you have a complaint			
Complaints Management Service (8am to 5pm Monday to Friday)	0800 274 138		

We're open 8am to 8pm Monday to Friday, and 9am to 1pm Saturday. We record all calls.

Our self-service lines are open 7 days a week - except between 5am and 6am each day. They offer a range of automated options, especially if you're enrolled with voice ID.

Find out more at **ird.govt.nz/contact-us**

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your liabilities or your entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them
- Statistics New Zealand (for statistical purposes only).

You can ask for the personal information we hold about you. We'll give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at **ird.govt.nz/privacy**

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process.

Find out more about making a complaint, and the disputes process, at **ird.govt.nz/disputes**