[Insert DD Month YYYY]

|  |
| --- |
|  |

[Insert Contact Person’s Name]

[Insert Company Name]

[Insert Company Address]

[Suburb]

[City, Post Code]

Dear [Insert Client Name]

**Re:** **[Insert Company] Potential GST Issues**

We are writing to you in regard to [insert company name]’s GST compliance in light of common errors seen by IRD. If any of the below apply to [insert company name] or if you wish to discuss any of these matters in further detail, please feel free to contact us.

Inland Revenue have highlighted the following issues as common areas for mistakes to be made. Please note that this is not an exhaustive list, and if you are unsure of the GST treatment of any transaction, we would be happy to assist you with it.

|  |  |  |
| --- | --- | --- |
| **Issue** | **Examples** | **How we can assist** |
| Preparation Errors | Figures entered in incorrect boxes, numeric errors, insufficient information. | We can review your GST returns and file these with Inland Revenue on your behalf. |
| Private Use Adjustments | Claiming a full input tax credit on an asset that is partially used for private (non-business) use. | We can review the correct GST treatment of business assets used for private purposes and provide advice on how to reflect this in your GST returns. |
| Registration and De-registration | Not registering for GST when you expect business income to be over $60,000 and not de-registering when taxable activity ceases. | We can discuss your particular circumstances and provide advice regarding registration and de-registration issues. |
| Incomplete Taxable Supplies Returned | Not including all supplies which should be subject to GST at 15%. | We can review your supplies and advise what amounts are exempt and what should be rated at 0% and 15% to ensure the correct amounts are returned. |
| Returning GST in Incorrect Periods | Including supplies made after the return period or adjusting for prior errors of supplies not included in the last return period. | We can assist you in correcting any historical GST issues by lodging all necessary information to Inland Revenue in the most efficient format to ensure quick processing. |
| Zero Rating of Exported Goods | Goods incorrectly zero rated where the taxpayer is not the exporter of record. | We can assist with advising on the requirements to zero rate exported goods and application of these provisions to you. |
| GST and Land Transactions | Transactions are incorrectly zero rated or second hand goods credits are incorrectly claimed when land and buildings do not relate to the taxable activity of the taxpayer. | We can advise on the specific requirements of the GST zero rating provisions and assist in filing second hand goods credit claims with Inland Revenue to ensure smooth processing of such GST returns. |
| **Issue** | **Examples** | **How we can assist** |
| GST on accommodation provided in an AirBnB | GST not returned on income received from AirBnB rentals where total income received in a 12 month period exceeds the registration threshold. | We can discuss your particular circumstances and advise whether GST needs to be returned on AirBnB rental activity, and any related expenses that can be claimed. |
| GST and Bodies Corporate | Previously there has been uncertainty around whether bodies corporate may be registered for GST. | Given recent Inland Revenue guidance in this regard, we can advise on the advantages and disadvantages of being GST registered and all associated requirements. |

These are simply a few potential areas where errors may occur. You may wish to consider undertaking a GST health check so that a more detailed analysis may be undertaken. We would be pleased to assist in that regard. Please feel free to contact us on [insert telephone number] to discuss further.

Yours sincerely

[Insert Name and Title]

|  |
| --- |
| Encl. |