



New Zealand Taxation 2012 for International Investors: Dates & Rates

- **New Zealand Fiscal Year 2012** 01 April 2011 -31 March 2012
- **Corporate Income Tax Rate** 28.0%
- **New Zealand Limited Partnership**
NZ tax rate on non-NZ sourced
income for non-resident Limited Partner 0%
- **New Zealand Foreign Trust**
NZ tax rate on non-NZ income 0%
- **New Zealand Look-Through Company**
NZ tax rate on non-NZ incomes
passed-through to non-NZ shareholders 0%
- **Capital Gain Tax Rate** 0%
- **Gift Duty** 0%
- **Stamp Duty** 0%
- **Inheritance Tax Rate** 0%
- **Goods and Services Tax (GST)**

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|--|-----|
| Local goods and services | 15% |
| Exported goods | 0% |
| Goods not in New Zealand at the time of supply | 0% |
| Services performed outside New Zealand | 0% |
| Imported services | 0% |
- **Debt and Equity Rules**
There are no debt and equity rules in New Zealand.
- **Tax Imputation Rules**
Imputation is a system that allows companies pass on to their shareholders the benefit of the New Zealand income tax they have already paid. New Zealand companies can do this by "imputing" (attaching tax credits to the dividends they pay out) credits for the income tax the company has already paid.
- **Deduction For Donations**
New Zealand companies can claim tax deductions for donations to approved charitable organizations, up to the amount of their taxable income.
- **Depreciation**
You must claim depreciation on fixed assets used in your business that have a useful lifespan of 12 months or more.
- **Transfer Pricing**
New Zealand's transfer pricing rules are based on the "arm's length" principle as set out in the Organization for Economic Cooperation and Development (OECD) Model Tax Convention.



Double Taxation Agreements

Australia
 Austria
 Belgium
 Canada
 Chile
 People's Republic of China
 Czech Republic
 Denmark
 Finland
 Fiji
 France
 Germany
 Indonesia
 India
 Ireland
 Italy
 Japan
 Korea
 Malaysia
 Mexico
 Netherlands
 Norway
 Philippines
 Poland
 Russian Federation
 Singapore,
 South Africa
 Spain
 Sweden
 Switzerland
 Taiwan
 Thailand
 United Arab Emirates
 United Kingdom
 United States of America

Free Trade Agreements

Australia
 People's Republic of China
 Thailand
 Singapore
 Brunei
 Chile
 Malaysia
 Hong Kong



Non-Resident Withholding Tax

| | |
|---------------------------------------|----------|
| • Dividends (not imputed or credited) | 30.0% |
| • Cash dividends (fully imputed) | 15.0% |
| • Non-cash dividends (fully imputed) | 0% |
| • Interest | 0% - 15% |
| • Royalties | 15.0% |

Resident Withholding Tax

| | |
|-------------------------------------|---------------|
| • Interest (IRD number provided) | 10.5% - 33.0% |
| • Interest (no IRD number provided) | 33.0% |
| • Dividends | 33.0% |

Use of Money Interest Rates

| | |
|----------------------------|-------|
| • Taxpayer's paying rate | 8.91% |
| • Commissioner paying rate | 1.82% |

Tax exemption on foreign income for new migrants and returning New Zealanders

New tax residents in New Zealand may qualify for a temporary tax exemption for up to 49 months on some of their foreign income derived from:

- Controlled foreign company income that is attributed under New Zealand's Controlled Foreign Company (CFC) rules
- Foreign investment fund income that is attributed under New Zealand's Foreign Investment Fund (FIF) rules (including foreign superannuation)
- Non-resident withholding tax (for example on foreign mortgages)
- Approved issuer levy (for example on foreign mortgages)
- Income arising from the exercise of foreign employee share options
- Accrual income (from foreign financial arrangements)
- Income from foreign trusts
- Rental income derived offshore
- Foreign dividends
- Foreign interest
- Royalties derived offshore
- Income from employment performed overseas before coming to New Zealand, such as bonus payments
- Gains on sale of property derived offshore (held on revenue account)
- Offshore business income (that is not related to the performance of services).

Provisional tax

During the tax year your business may be liable to pay provisional tax if your residual income tax is more than NZ \$2,500. The provisional tax must be paid during the year is offset against your end of year tax payable figure.

Is your company a resident in New Zealand?

The company is resident of New Zealand, if it meets any of the following criteria:

- It is incorporated in New Zealand
- Control by the company directors is exercised in New Zealand
- It has its centre of management in New Zealand
- It has its head office in New Zealand

Are you, personally, a New Zealand resident for tax purposes?

You're a New Zealand tax resident if:

- you are in New Zealand for more than 183 days in any 12-month period, or
- you have an "enduring relationship" with New Zealand

Income tax rates for individuals

(not including Earner's ACC)

| | |
|------------------------|-------|
| up to NZD\$14,000 | 10.5% |
| NZ\$14,001 to \$48,000 | 17.5% |
| NZ\$48,001 to \$70,000 | 30.0% |
| NZ \$70,001 and over | 33.0% |



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