

31 March 2024,

Always good when 31 March coincides with Easter break! A great time to get your books in order, do any necessary stock takes, and take a well-deserved breather from your business.

There has been a noticeable downturn in business in some sectors e.g. building related, retail, reduced dairy payouts etc The flow on effects of reduced work includes fluctuating income for your business, add to this the increasing costs of business and living, means that people are more conscious of their budget.

So, if your business is experiencing a downturn in sales:

- get your staff doing other things which are still productive e.g. working on your own building paint/repairs/gardening/vehicle maintenance etc.
- Work on your own systems to streamline workflow, update any inhouse policies
- Work on your business, re-engage with clients you have not been in contact with recently, cold call potential new clients.
- Reduce staff perhaps to a 4-day week option, encourage staff to take leave etc.

The good news is interest rates appear to be on the decline, which is certainly being warmly received.

The trust tax rate will increase from 1 April 2024 to 39% to now match the top individual tax rate of 39%.

From 1 April 2024 the depreciation claim on commercial buildings is being removed.

Interest payment deductions on residential rentals that are not considered new builds, is restricted to 50% for year ended 31 March 2024, this will then increase to 80% for year ended 31 March 2025, and then from 1 April 2025 back to 100% claim.

The Brightline test is changing; from 1 July 2024 it is going back to 2 years, so please check with us first before you decide to sell any property other than your own home – e.g. residential rental property, section, bach, etc. If you have not owned the property long enough you will be taxed on any profit made from the sale, so make the time to give us a call.

The minimum wage, as from 1 April 2024, is \$23.15 for adult employees 16 years and over.

If you are unable to pay your income tax by the due date, please tell IRD or contact us so that we can apply for an arrangement to pay. Interest and penalties will still apply though. Please take care when making payments to IRD, inserting the correct year and IRD # is very important. If entered wrong – our office could ask you to pay an incorrect amount of tax. IRD will charge interest and penalties. If in doubt, please confirm your payment details with us.

Likewise, if you think your profits for this year will be less than last year, let us do your income tax calculations as soon as possible. If you get your information into us promptly, we

could get these prepared prior to 7 May (being the last payment date for 2024 provisional tax).

For your convenience we have two offices, our main office is in Riccarton and our second office is in Conway Lane, Rangiora.

We love all your referrals – please keep them coming.

Attached are details of the information we need at 31 March 2024. Please have a look at Tax Return Info and if you have rental properties also take a look at the Rental Questionnaire and take action as necessary. The earlier your information is in, the quicker it gets processed and then you will know your tax commitments for the coming year.

### **ABOUT US!!!**

I believe we offer the best service in Canterbury – always available, prompt response to any enquiries, work performed accurately in a timely manner, always pleased to answer any questions, we have never had a stupid one yet. The only stupid ones are the questions that people don't ask.

We want your feedback. Like most people we love hearing how great we are and how fabulous our staff are, but if we haven't lived up to your expectations let us know that too.

We want to be your first call with any financial questions, whether you are buying or selling assets or a business, looking for mortgage finance, anything at all. We are always pleased to hear from you, and we would like more clients like you!

Remember we are a small business too, same as you, chances are we have come across the same issues that you are dealing with. We can help! We don't claim to know everything but over the years we have developed a trusted network of advisers that we can share with you. These include: database, marketing advice, insurance/superannuation/ACC, occupational health & safety, legal advice, employment contracts and law, finance, credit control/debt collection, business & property valuations, property management, website development, payroll management, mentor/business/life coach, computer hardware & software training/support, importing/exporting, trusts, strategic positioning, grooming your business for sale – the list goes on.....

We do have two serviced offices next door to us, which are available for rent. If you find yourself needing to rent office space, please contact us.

Owning a business is never easy. It is when things become more difficult that the opportunities arise. Look for the opportunities in your business. As they say, if it were easy, everyone would be doing it.

Stay well and see you soon.

Raelene