

IRD Alert – Real Estate Agents / Construction Industry

The IRD have been in contact with us to advise that they have initiated two separate “campaigns” that will focus on the tax compliance of taxpayers within the real estate and construction industries.

Real estate sector campaign

IRD is looking closely at real estate salesperson/agents as they are aware of instances where taxpayers in this industry group are claiming a high level of expenses relative to their income.

The IRD will focus on agents who are claiming private expenses and are not keeping logbooks or retaining other business records to support their motor vehicle claims.

In the first instance they will send a letter to taxpayers who they feel may be affected asking them to review their tax returns and provide records to support expenses claimed.

If you feel you may be impacted, please do not hesitate to contact your Chapmans advisor to discuss.

Construction industry campaign

The IRD are currently launching a construction industry education campaign. The purpose of the campaign is to engage with those in the construction industry to ensure they’re ‘getting it right from the start’ and support them in understanding their tax obligations if they undertake cash transactions.

The IRD’s customer research indicates that people are more likely to engage in hidden economy activity (e.g., cash jobs) in an environment of economic uncertainty, such as the current COVID-19 environment, and they want to reduce the risk of this through awareness, education and compliance.

You may see IRD advertising around this online, at building sites and around hardware stores.

We encourage you to visit ird.govt.nz/Rebuild-NZ to find out how those in the construction industry can ensure they’re meeting their tax obligations.

If you feel you may be impacted please do not hesitate to contact your Chapmans advisor to discuss.

Audit insurance

Chapmans offers Audit Shield via Accountancy Insurance. Audit Shield provides an insurance solution that covers the professional fees involved in responding to an official audit, enquiry, investigation, or review of returns lodged with Inland Revenue (IR) or other New Zealand government revenue authorities.

If you are interested in finding out more, please contact team@chapmans.co.nz