



EAN BROWN PARTNERS^{LTD}

Business Advisers, Chartered Accountants

5 Tips On How to Reduce Your Tax Bill



1. Claim as many expenses as possible

The more you can claim on expenses, the less tax you will have to pay. Many business expenses can be claimed and sometimes even household expenses, if you are working from home. Do your research on what you can claim. Keep all expense receipts and invoices you receive. Records have to be kept for seven years and may be requested by Inland Revenue.

2. Claim vehicle expenses if possible

If you use a vehicle strictly for business, you can claim full running costs subject to certain conditions. If it's your own vehicle, you can still claim running costs for work related use. You can work out your business use either by:

- Record actual running costs
- Keep a log book for at least 90 days every three years, showing distances, dates and business reasons.
- Use the Inland Revenue mileage rate

3. Depreciate business related assets

You can claim back some money on certain assets bought for your business such as computers, vehicles or machinery. Each year you can claim the amount of value lost through wear and tear.



- Keep all receipts and invoices related to any depreciable assets.
- You can claim it on software, your website, and some intellectual property.
- Keep an accurate record of your fixed assets, the depreciation claimed and the adjusted tax value of each asset — keep these records for seven years.

4. Donations

If your business makes a charitable donation, you can deduct the amount of the donation from your income. Keep any tax receipts and invoices for donations you make over \$5. Claim back the tax at the end of the tax year — note, this is a separate claim to your income tax return.

5. Structure

Use the most appropriate business structure for your circumstances such as sole trader, partnership, company or trust.

Be on time with filing and payments

Paying your tax on time and meeting filing obligations is crucial. This way you avoid any risk paying interest or penalties. If you are worried about not meeting payment obligations, contact Inland Revenue and work out a solution rather than waiting.

Note: Overpaying help does not help. The refunds do include interest, but at a lower rate than it would sitting in your bank account!



Hire Ean Brown Partners as your tax agent!

Save money and time by getting a team of experts in. We have intensive knowledge in tax administration and can help you develop the right tax strategy for your business!

[Contact us today.](#)



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