

## Depositing tax with Tax Traders

Unlock benefits you wouldn't be able to access if you paid Inland Revenue (IR) directly.

If you have funds available to pay your provisional tax on time, you should deposit your payments into Tax Traders' account at IR.

#### Depositing tax allows you to:

- Use your tax deposits as security to access additional business funding at about half the rate of a big bank overdraft.
- Get faster refunds, without needing to file a return with IR.
- Earn greater interest on overpaid tax.
- Reduce the interest you pay on underpaid tax and remove late payment penalties.
- Move payments between dates to improve your position if you have overpaid or underpaid tax.



### How depositing tax works

### **Inland Revenue**



### Provisional tax payments

#### Step 1

Each provisional tax payment you deposit is date stamped when you pay and held in Tax Traders' IR account.

Tax Traders' IR account is managed by Public Trust.

Provisional tax deposited with Tax Traders can be:

- Used as security to access additional business funding at about half the rate of a big bank overdraft. Visit gotaxi.co.nz for more information.
- Refunded at any time (subject to completing AML requirements), without needing to file a return with IR.



# Tax Trader's IR account (managed by Public Trust)

### Step 2

Once your accountant confirms your income tax liability for the year, you may be able to:

Sell tax: Sell any excess tax you don't require to someone who has underpaid their tax for the year to earn premium interest.

Swap tax: Reduce the interest amount you need to pay or increase the interest amount you receive by moving tax payments forwards or backwards between your provisional tax dates.

Buy tax: Buy excess tax from someone else who has overpaid to reduce the interest amount you need to pay and remove any late payment penalties on any provisional tax shortfalls for the year.

### Your IR account

### Step 3

Tax Traders will transfer tax to your IR account once your accountant confirms the amount you require at each date to satisfy your liability. IR will treat this as if you have paid on time once these transfers are processed, removing interest and late payment penalties showing on your account.



### Approved by Inland Revenue

Tax Traders is approved by Inland Revenue, using the legislative tax pooling framework that has been operating in New Zealand for more than 20 years. Since 2012, Tax Traders has been helping accountants and their clients to ease the burden of provisional tax payments.

Talk to your accountant to find out more about paying tax with Tax Traders.



