



# Tax pooling with TMNZ: Paying tax on your terms



Tax pooling is an IRD approved service offered by a commercial provider such as Tax Management NZ (TMNZ). It has been operating in New Zealand since legislation came into effect in 2003.

## How it can help

Tax pooling with TMNZ means you can pay income tax at a time or in a manner that suits you, at a much lower interest cost than what IRD charges for unpaid tax and without incurring late payment penalties.

You may find the service useful if you are unable to pay your provisional or terminal tax on time (or if you have a better or more urgent use for those funds).

That's because tax pooling can be used to defer the full tax payment to a date of your choosing or pay what you owe in instalments.

## Can I trust this?

As New Zealand's leading tax pooling provider, TMNZ's services are completely IRD approved. We are registered with IRD and operate under legislation set out in the Income Tax Act 2007 (sections RP17-RP21 and OB and OP) and Tax Administration Act 1994 (sections 124S-124X and 173M).

Guardian Trust oversees all payments held in TMNZ's tax pool account and the bank accounts into which payments are made. At no stage do we have access to your payments.

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### Who else uses tax pooling?

Tax pooling is used by New Zealand's largest taxpayers, accounting firms and thousands of small- and medium-sized businesses. Our close and long-standing relationship with IRD means our clients are in the best of hands. TMNZ has helped more than 100,000 taxpayers with their provisional tax payments.

### A more flexible way to pay tax

TMNZ is a helpful cashflow solution because it enables you to choose how or when to make provisional or terminal tax payments.

### Pay what you want, when you want

TMNZ's Flexitax® was designed to let you pay what you want, when you want and we calculate the fees on the remainder after each payment. There are no set instalment amounts and you have up to 75 days past your terminal tax date to complete the arrangement with TMNZ.

Paying this way can reduce IRD interest costs by up to 30 percent and eliminates late payment penalties.

### Instalments

You can pay your provisional tax liability in easy-to-set-up instalments. A set amount booked at a frequency of your choosing. As with Flexitax® you can book instalments up to 75 days past your terminal tax date.

This option will suit those with a consistent income and who would like their expenses to be spread accordingly.

### Deferred payment

TMNZ offers a Tax Finance option. For an upfront fee you can choose a time in the future you wish to pay your tax liability. The upfront finance fee is much cheaper than most other traditional forms of finance.

Tax finance suits those who have cashflow certainty and feel there is more to gain by being able to keep money in their business instead of paying income tax on IRD prescribed dates.

For all our options, acceptance is guaranteed.

### Ready to get started?

**Your accountant will set up everything for you and then you're good to go!**



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