

# Tax pooling with TMNZ: doing 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.

If you find you have provisional or terminal tax owing and are low on funds (or have a better or urgent use for it), you can use tax pooling to either chip away at what you owe in instalments and/or pay the full amount later – all while avoiding IRD's interest and late payment penalty regime.

## 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 150-15T and 1200E).

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.



Save Costs  
& Time



IRD  
Approved



Trusted  
Systems



Expertise &  
Service



Innovative  
Solutions



Supporting  
Charity



Flexible  
Payment

tax managementnz | 

## 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 over 50,000 taxpayers with their provisional tax payments.

## A more flexible way to pay tax

TMNZ's Flexitax® is a helpful cashflow solution because it enables you to choose how or when to make provisional or terminal tax payments, at no downside.

Instead of paying IRD directly on set dates, you send payments to TMNZ's tax pooling account and we transfer the backdated tax to IRD, so it's as if you paid on time. Using TMNZ then eliminates late payment penalties and reduces IRD interest cost by up to 30 per cent.

It's especially useful if you have seasonal or volatile income and have difficulty determining how much provisional tax you must pay for the year. With Flexitax®, you pay based on how your business is actually performing so your tax payments suits your business cashflow.

## Some additional information

By using TMNZ, you will receive an additional 75 days past your terminal tax date to pay any provisional tax owed for that year.

Payments made towards a Flexitax® arrangement are paid against the correct dates, with TMNZ interest recalculated on any core tax owing at the end of each month.

Flexitax® arrangements can be amended if the amount of tax owed for the year changes. There's no requirement to pay the full amount if you do not end up owing the tax.

Once you have a Flexitax® arrangement in place, TMNZ will send you payment reminders every month with an updated statement showing the core tax remaining and, if applicable, the recalculated TMNZ interest. You can also see your arrangements online via the TMNZ Dashboard (ask your accountant for access).

TMNZ interest is tax deductible.

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