

Changes to Resident Withholding Tax (RWT) from 1 April 2010 - New Zealand tax resident individuals and companies

Personal income threshold	Applicable RWT rates
\$0 - \$14,000	12.5%
\$14,001 - \$48,000	21%
\$48,001 - \$70,000	33%
\$70,001 and over	38%
No notification rate	38%

You can choose a RWT rate that is different from your income threshold. However, to elect a 12.5% RWT rate, you must have a reasonable expectation that your taxable income will be \$14,000 or less. These rates do not affect you if you have an RWT exemption certificate.

Companies	Applicable RWT rates
Company rate (unless exempt or pay tax at 38% or acting in a trustee capacity)	30% or 33%

If our records show that you are operating a private or public limited liability company, currently taxed at a RWT rate of 33%, you will receive advice from ASB that you will be automatically moved to the new rate of 30% at 1 April 2010 (except in the case where our records indicate you may be operating in a trustee capacity). If you think your rate should change from 33% to 30% and you have not heard from us by mid-March, please contact your ASB Relationship Manager or call 0800 272 010.

Changes to the Prescribed Investor Rate (PIR) from 1 April 2010 - New Zealand tax resident individuals and other investors

New income thresholds	Your PIR is
New Zealand tax resident individuals	
In either of the last two tax years to 31 March, your taxable income was \$14,000 or less and total income (including PIE income) was \$48,000 or less	12.5%
In either of the last two tax years to 31 March your taxable income was \$14,000 or less and total income (including PIE income) was more than \$48,000 but not more than \$70,000	21%
In either of the last two tax years to 31 March your taxable income was more than \$14,000 but not more than \$48,000 and your total income (including PIE income) was \$70,000 or less	21%
New Zealand tax resident individuals who do not meet any of the criteria above	30%
Other investors	
Non-New Zealand tax resident	30%
Company, unit trust, charity or non-profit organisation	0%
Trusts (excluding a unit trust) e.g. a family trust, estates, etc.	0%
<i>Note: certain testamentary trusts will be able to choose 12.5%.</i>	21%
	30%

Please note: If you have not let us know your PIR and IRD number you will be taxed at a PIR of 30%.

RWT and PIR tax rates prior to 1 April 2010

Resident Withholding Tax (RWT)	Your RWT rate is
Income threshold	
\$0 - \$48,000	19.5%
\$48,001 - \$70,000	33%
\$70,001 and over	38%
Company	33%*

* Unless exempt or pay tax at 38% or acting in trustee capacity.

Prescribed Investor Rate (PIR)	Your PIR is
New Zealand tax resident individuals	
If over either of the last two tax years (to 31 March) your taxable income is \$38,000 or less and your total income (including PIE income) is \$60,000 or less	19.5%
If you do not meet this criteria	30%
Other investors	
Non-New Zealand tax resident	30%
Company, unit trust, charity or non-profit organisation	0%
Trusts (excluding a unit trust) e.g. family trusts, estates, etc	0%
	19.5%
	30%