Not-For-Profits

Tax Update for Not-For-Profits
Tax Compliance for Not-For-Profits

- Income Tax
- Fringe Benefit Tax
- Goods & Services Tax
- PAYE/Withholding Taxes
- Donations
Income Tax

- Section CW41 – Non-Business Income
- Section CW42 – Business Income
- Key Definition – Tax Charity
- Apportionment - New Zealand-v-Overseas
- Losing Charitable Status
Fringe Benefit Tax

- Section CX25 – General Exemption

- Exceptions
  - Business activities of the organisation
  - Short-term charge facilities
Goods & Services Tax – Taxable Activity

- Why register for GST?
- Requirements for GST registration
- Current absurdities – is there abuse?
  - Example 1 – Merchandise
  - Example 2 – Raffles/Prize draws
- Possible Solution?
Goods & Services Tax – Other Challenges

- Taxable – v – Exempt Supplies
- GST apportionment
- Branches
- Grants/Donations/Subsidies
PAYE/Withholding Tax

► No special rules!

► Schedule 4 Payments
Donations: tax deduction/credit

- Section LD1 – Charitable/Public Benefit Gifts

- Key Definition – Charitable/Public Benefit Gift

- Challenging Areas – Some Examples
  - Non-cash donations
  - Auctions
  - Donated proceeds
Summary

- Legitimate tax ‘breaks’ available
- Complexities exist in complying
- Definition anomalies
- Risk of charitable status abuse
- Tax Risk Management is key