

GST - GOODS AND SERVICES TAX

GST is a tax on the supply of goods and services in New Zealand by a registered person on any taxable activity they carry out. The rate for GST is 15% although zero-rating will most likely apply for exports and land transactions.

Certain supplies of goods and services are 'exempt supplies' and exempt from GST. These include:

- Certain financial services
- Sale or lease of residential properties
- Wages/Salaries and most Directors' Fees

GST registration is required if the annual turnover of the business for a 12-month period exceeds or is expected to exceed \$60,000.

GST returns can be filed monthly, bi-monthly or six monthly. There are certain requirements for who must file monthly returns and who can file six monthly returns.

There are **three methods of accounting for GST:**

- Invoice Basis
- Payments Basis
- Hybrid Basis

If your turnover exceeds \$2,000,000 per year you cannot use the Payments basis option.

If you are selling or are thinking of selling your products through your website please also refer to the section on [GST and E-Commerce](#).

For more information on GST and how to register give us a call or visit the [GST section](#) of the Inland Revenue website.