

WHAT WERE THE MAIN FACTORS OF THE MAY 2010 NEW ZEALAND BUDGET?

Main aspect to everyone was reduction in income tax

- ✓ From 1 October 2010 Personal income tax will be:
 - up to \$14,000 10.5%
 - between \$14,001 and \$48,000 17.5%
 - between \$48,001 and \$70,000 30%
 - over \$70,000 33%
- ✓ Reducing Company Tax to 28 cents from 1 April 2011 (from 30 cents)
- ✓ Increasing GST from 12½ to 15% from 1 October 2010
- ✓ No depreciation on buildings
- ✓ Stricter conditions for LAQCs (Loss Attributing Qualifying Companies)

Please refer to Tax Department (IRD) website:

See <http://www.taxpolicy.ird.govt.nz/sites/default/files/2010-sr-budget2010-special-report.pdf> for a Guide to the Tax Changes Announced in this year's Budget.