When to correct an error in your GST return

If you realise you've made a minor error or errors in a GST return you've filed, you can correct it in the:

- next taxable period and calculate the adjustment, or
- in the same taxable period by writing to us with the details

The error or errors were caused by a clear mistake, simple oversight or mistaken undertaking that results in an under or overstatement of your tax liability.

But, if you've chosen a particular tax position and then change your mind about it, you can't correct it. Instead you must use the IRD's disputes process. See your accountant for more information if this is the case.

Making the correction in the next taxable period

The error or errors can be corrected in the next taxable period when:

- a person has provided the return in which the assessment of their liability for GST contains 1 or more minor errors; and
- the error was caused by a clear mistake, simple oversight, or mistaken understanding on the person's part; and
- the total discrepancy in the assessment that is caused by the error is $500 or less.

So, if you haven't claimed an expense for GST in one taxable period you can claim it in a following taxable period provided the above criteria is met.

Record keeping

You must record these details in your GST paperwork and make the information available to the IRD if they ask for it.

- what GST return period the error occurred in
- the GST amount involved
- the type of error
- which GST return period you made the correction in.

Making the correction in the same taxable period

In some instances, you may be able to request the IRD to amend an assessment to correct the error.
Send them the following details:

- the GST taxable period the error occurred in
- GST amount involved and what the amended figures should be
- the type of error and why the change is needed.

They'll then amend your original GST assessment and send you a statement of account.

Alternatively, section 20(3) of the GST Act 1985 allows a taxpayer to include a GST input tax deduction not claimed in an earlier return period in a later return period.

Important

Please do not send the IRD an amended GST return.

Interest

Where the reassessed GST is an amount to pay and it's over $100 IRD will charge you use-of-money interest
But, if the amount of reassessed GST is a refund over $100, they'll pay you use-of-money interest.

Penalties

IRD may ask for more information to consider if they'll charge a shortfall penalty.

IRD Contact Information for GST

Refer to the IRD website for up to date contact information
http://www.ird.govt.nz/contact-us/a-z/gst/

All information taken directly from www.ird.govt.nz