

2010/2011 information leaflet for ratepayers

The Rates Rebate Scheme operates under the Rates Rebate Act 1973. The purpose of the Scheme is to provide a subsidy to low income home owners on the cost of their rates. If you are eligible, this year you could be entitled to a rebate of up to **\$570**.

Who can apply?

- The property must be principally residential (not a business, farm, commercial or industrial); **and**
- you must be named as the ratepayer on your council's Rating Information Database (the RID); **and**
- you must be living in the home as your main residence at the start of the rating year-1 July; **and**
- you must be financially eligible – see the table below.

Rates rebate income eligibility table

Rates Income	\$1,000	\$1,200	\$1,400	\$1,600	\$1,800	\$2,000	\$2,200	\$2,400	\$2,600	\$2,800	\$3,000	\$3,200
\$21,000	\$560.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$22,000	\$560.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$23,000	\$478.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$24,000	\$353.00	\$486.33	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$25,000	\$228.00	\$361.33	\$494.67	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$26,000	\$103.00	\$236.33	\$369.67	\$503.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$27,000	-	\$111.33	\$244.67	\$378.00	\$511.33	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$28,000	-	-	\$119.67	\$253.00	\$386.33	\$519.67	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$29,000	-	-	-	\$128.00	\$261.33	\$394.67	\$528.00	\$570.00	\$570.00	\$570.00	\$570.00	\$570.00
\$30,000	-	-	-	\$3.00	\$136.33	\$269.67	\$403.00	\$536.33	\$570.00	\$570.00	\$570.00	\$570.00
\$31,000	-	-	-	-	\$11.33	\$144.67	\$278.00	\$411.33	\$544.67	\$570.00	\$570.00	\$570.00
\$32,000	-	-	-	-	-	\$19.67	\$153.00	\$286.33	\$419.67	\$553.00	\$570.00	\$570.00
\$33,000	-	-	-	-	-	-	\$28.00	\$161.33	\$294.67	\$428.00	\$561.33	\$570.00
\$34,000	-	-	-	-	-	-	-	\$36.33	\$169.67	\$303.00	\$436.33	\$569.67
\$35,000	-	-	-	-	-	-	-	-	\$44.67	\$178.00	\$311.33	\$444.67
\$36,000	-	-	-	-	-	-	-	-	-	\$53.00	\$186.33	\$319.67
\$37,000	-	-	-	-	-	-	-	-	-	-	\$61.33	\$194.67
\$38,000	-	-	-	-	-	-	-	-	-	-	-	\$69.67

The best way to find out if you are eligible is to ask your local council. The above table does not take into account families with dependants. There is an interactive calculator on the website www.ratesrebates.govt.nz.

When can I apply?

The 2010/11 rating year runs from 1 July 2010 to **30 June 2011**. No claims can be submitted after that date. Claims cannot be made for past rating years.

How do I apply?

Complete an application form available from your local council, or downloaded from our website www.ratesrebates.govt.nz. Your local council can give you advice on your eligibility and on how to fill out the form. They can also witness your signature. Other people who are authorised to witness your application are listed on the back of the form. The completed and witnessed form must be given to the council rating officers, who process it and make the decision.

What information will I need to provide on my application form?

You will need to declare the total income received, before tax, for you and your spouse or partner or any joint homeowner living with you on 1 July 2010, for the **tax year 1 April 2009 to 31 March 2010**. This includes all income listed in section 4 of the application form. Councils may ask for proof of income. Some examples are given overleaf.

Supporting documents

Confirmation of income for the 2009/2010 tax year includes:

- income confirmation from Work and Income; and/or
- interest and dividends statements; and/or
- income confirmation from Inland Revenue; and/or
- a statement of earnings from your employer.

For self-employed people:

- a complete set of business financial accounts is recommended.
- business losses are treated as \$0. You cannot deduct losses from other income you receive.

The following Working for Families benefits should be declared:

- in-work tax credit
- minimum family tax credit
- parental tax credit.

You do not need to declare family tax credits.

Advice on Income

You can get advice directly from Inland Revenue on the specific tax credit you are receiving by ringing the Information Express line, 0800 257 778, and following the prompts. You can also go to www.ird.govt.nz to access your online service account and print out your earnings information.

For income-related enquiries involving Work and Income, you can call 0800-559-009. Council staff can phone Work and Income on your behalf but **only** if they have your permission.

Special Situations

Can people living in retirement villages apply?

In general, people living in retirement villages are not currently eligible for a rebate. They do not meet the Scheme's requirements in that it is the company that owns the retirement village that is directly liable to the council to pay rates. The residential units in which retirees live cannot be rated separately by the council – even though the company may indirectly charge to you a portion of the rates bill.

However retirement villages operate under a variety of tenure agreements so please check your own agreement with your local council to determine if you are eligible to apply.

What about owner-occupier flats?

These are a group of flats that together make up one rating unit. They are owned by a company, **the shareholders of which are the occupiers of the individual units**. If you are an owner-occupier of one of these flats, you need to provide the council with your application form and an 'owner-occupier declaration' that is completed by the company director or secretary. Owner-occupier declaration forms are available from your local council or can be downloaded from www.ratesrebates.govt.nz. The rebate is calculated on the owner's share of the rates on the whole property.

Homes held in Trust

If your home is held in a trust then the nature of your interest in the property will determine if you are named on the RID, and therefore eligible to apply for a rebate. Here are two common examples:

Family Trust

A home, often that of an elderly relative, is transferred to a trust to preserve the home for the next generation. Here it would be unusual to have the occupant's name on the RID because the point of the transfer is to remove the occupant from any legal interest in the property. Unless a trustee is on the RID, occupies the property as his or her own main residence, and meets the financial criteria, a rebate will not be forthcoming.

Will Trust

A house may be left to a partner for life, and thereafter to children or grandchildren. The life tenant in this case has a tangible legal interest in the freehold, and unless there is precise wording against this in the will, is legally responsible for all outgoings on the property. The life tenant is clearly the person to be named on the RID and a copy of the will and proof of ID should be sufficient proof. Therefore, if a life tenant lives in the property as his or her main home, and qualifies financially, he or she will be eligible for rebate.

Applications close on 30 June 2011 and will not be accepted after this date