

## **NON-RESIDENT FILM RENTERS' TAX HOLIDAY OVER**

The concessional tax treatment that non-resident film renters have enjoyed is about to end. The Taxation (Annual Rates, Returns Filing and Remedial Matters) Bill contains proposed amendments that will repeal the current tax on deemed income of 10% of gross payments and replace it with non-resident withholding tax on royalties.

This means that a foreign film-renting company for example, that is currently taxed at 2.8% of gross receipts from NZ, will be taxed at a minimum of 5% (if resident in a double tax agreement country with the lowest withholding tax on royalties) or 10% or 15% if resident in other double tax agreement countries, or otherwise, possibly more than 15%. See the Non-residents section for more details.

<http://www.davidco.co.nz/index.php?page=nonres#71>