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## **Inland Revenue Paper on Volunteer Reimbursements and Tax Welcomed – Why you should care**

The Labour-led Government has released an issues paper looking at options for clarifying and simplifying the tax treatment of reimbursements and honoraria paid to volunteers in New Zealand.

This is a vital issue for organisations in the Tangata Whenua, community and voluntary organisations (the Sector) most of whom rely on giving – both time and money to continue to provide their services in a sustainable way.

### ***What is the issues paper about?***

The Government's issues paper, called *The tax treatment of honoraria and reimbursements paid to volunteers* outlines the full range of options and issues that are being considered.

The paper identifies that there is great uncertainty among volunteers and the organisations they volunteer for about how they should manage their tax obligations, and is looking for feedback on suggested ways of dealing with these uncertainties.

Some issues may have different impacts for different organisations, so the consultation process, which runs for six weeks until 14 December 2007, is an important part of making sure that the final outcome works for the not-for-profit sector.

For example, issues being considered include how to treat expenses and honoraria and the definition of "volunteer".

### ***Why are tax issues important?***

Tax laws have the potential to greatly affect people's ability to give to charities (whether it is time or money), and the ability of charities to give back to New Zealand communities.

That is why Sector organisations have been working so hard over the past decade to get a review of the current tax rebate regime on the Government's agenda.

Organisations in the Tangata Whenua and the community and voluntary sector rely heavily on multiple sources of support, including volunteering, donations and philanthropic giving, to maintain the huge range of community services, from care for the elderly, to ambulances, and sport and recreation activities

### ***What can Sector organisations do?***

Get informed! This is an important issue for the Sector. A copy of the Issues Paper can be found at [www.taxpolicy.ird.govt](http://www.taxpolicy.ird.govt)