Look Through Companies 2012

Presented by

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Introduction

Look-through companies (LTCs) were introduced from 1 April 2011. Two key transition dates have passed; the first being 31 March 2011 and the second (for taxpayers with March balance dates) being 30 September 2011. The third and likely final, transition date is coming up on 30 September 2012 (for taxpayers with March balance dates).

The LTC regime has definitely not replaced the LAQC regime; not even close. We are now almost a year in to the use of this regime and a number of issues have been identified; so the big questions are...Did we make the right choice when we transitioned last year? Or: if we have not yet transitioned to an LTC, should we, or are there better choices?

The purpose of this course is to examine the regime in some detail, to look at the fishhooks, and help us weigh the advantages of accessing losses against the disadvantages that the regime has.

We will compare the tax fiction with both the accounting position and the commercial reality and work through the hard question – what do we do with them now that we have them?

This book assumes a certain level of knowledge of how other business structures (in particular, limited partnerships and sole traders) are taxed. We have gone into a lot of detail in relation to the LTC regime simply because it is still reasonably new, and we have included detail of the few changes that are on the drawing board. Finally, we include some input from the IRD on its position in respect of various pertinent issues.

Given the general nature of this paper and course, the authors do not intend to be a substitute for specific professional advice, and accept no responsibility for any act done or omitted to be done in reliance on the information obtained in this paper or presented during the course. All references in this paper are to the Income Tax Act 2007 ("the Act") unless otherwise stated.

We trust that you both enjoy and gain a valuable insight from this course.

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WHK
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