

*taxi*

Guide for  
Accountants

Proudly brought to you by Tax Traders

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# *taxi*

An innovative product unlocking  
affordable business funding  
for your clients, using the  
provisional tax framework.

# What is Taxi?

Taxi uses the tax pooling framework to unlock a new source of working capital for businesses. Now, instead of your clients' provisional tax payments sitting idle in their myIR account (sometimes for up to 18 months!) these payments can be put to work and provide access to affordable funding. Taxi rates are about half that of a big bank overdraft and the Taxi process is simple, direct and dignified.

This kind of funding has been utilised by New Zealand's largest companies for over ten years and Taxi makes it available to more Kiwi businesses that pay provisional tax.

Taxi was created by experienced tax technology founders, is built by accountants and tax experts, and is powered by IRD-approved tax pooling intermediary, Tax Traders. **Taxi provides you with a great reason to engage with clients.**

## Current situation

- 1 Your clients pay provisional income tax directly to Inland Revenue.
- 2 Funds sit idle in your client's IRD account until their tax return is filed. Over \$18 billion is currently sitting dormant at IRD.
- 3 Access to working capital is the number one identified need of businesses in New Zealand, but working capital is hard to access and expensive with business overdraft rates up to 22%.

## The Taxi way

- 1 Your client creates an account with Taxi. No financial disclosures or credit checks are required, apart from a standard AML check.
- 2 Your client pays their provisional tax through Taxi. These payments are held on their behalf, by Public Trust, at Inland Revenue.
- 3 Taxi uses IRD-approved tax pooling intermediary, Tax Traders allows these payments to be used as security to access affordable funding and meet their tax obligations at the same time.
- 4 When your client requires funding they can access an amount equal to 90% of the provisional tax paid through Taxi in the last 12 months.
- 5 Access is straightforward and funds are in their bank account within 3 working days, without further application or documentation. Repayment is flexible and works with your client's business.
- 6 Following your client's terminal tax date, we transfer their tax payments to IRD, within the required time frame.

# Why Taxi?

Without working capital some businesses can struggle to grow and thrive. Taxi allows businesses to use their provisional tax payments as security to access affordable, dignified business funding.

## Taxi also...

- Opens up the benefits of the tax pooling framework to those clients who truly need it.
- Rewards those provisional taxpayers who pay their tax on time.
- Provides you with a tangible benefit you can offer your clients and an opportunity for engagement.

Taxi is a smarter way to help manage cash flow and improve access to working capital.



Check out [GoTaxi.co.nz](https://gotaxi.co.nz) to see how innovation studio Previously Unavailable is using Taxi to get ahead.

# Your advice counts

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Taxi is built to work alongside the advice you give to your clients. Your tax payment advice is easily applied to their Taxi account, and you are given visibility of their tax position through our integration with Tax Traders. Your clients do not need to be using tax pooling or Tax Traders to sign up to Taxi (although if they are, they can start using Taxi straight away and access funding immediately!)

## Taxi provides significant benefits for your clients

With Taxi, they can:

- Halve their overdraft costs.
- Access new funds for growth (no further application to bank required.)
- Manage seasonal trading – did you know that on average a New Zealand business is cash flow negative for 4 months of the year?
- Have peace of mind with a standby facility.
- Secure a new source of funding that can sit alongside their banking facility, without affecting their existing credit limit.



Go to [GoTaxi.co.nz](https://GoTaxi.co.nz) to read why Matt Harris from Lighthouse Financial Services recommends Taxi to their clients.

# Great for existing tax pool users

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Taxi uses the tax pooling framework and uses tax payments that have been paid into a “tax pool”. If your clients are already using Tax Traders, you’re in an excellent position to recommend Taxi to them. Your clients can start accessing funding through Taxi straight away, using their existing tax payments, deposited into a tax pool.


If your clients are not using Tax Traders yet, now is the perfect opportunity to recommend this. Once your clients have paid their tax payments into the Tax Traders tax pool, they can access funding via Taxi when they need it (and chances are they will!).

## Tax Traders or Taxi?

Most accountants are recommending Taxi directly to their clients. Some accountants still recommend their clients make their provisional tax payments to Tax Traders as this is the platform they are familiar with. Either way, your clients will be set up for success and be able to use Taxi when they need to, as their provisional tax payments are in a tax pool.

## Connected to IR data

Taxi is connected to the Tax Traders system which can be synchronized with your Inland Revenue tax agency data. This means you can view your clients’ Taxi payments via the Tax Traders system and have a complete picture of your clients’ tax compliance in one place.

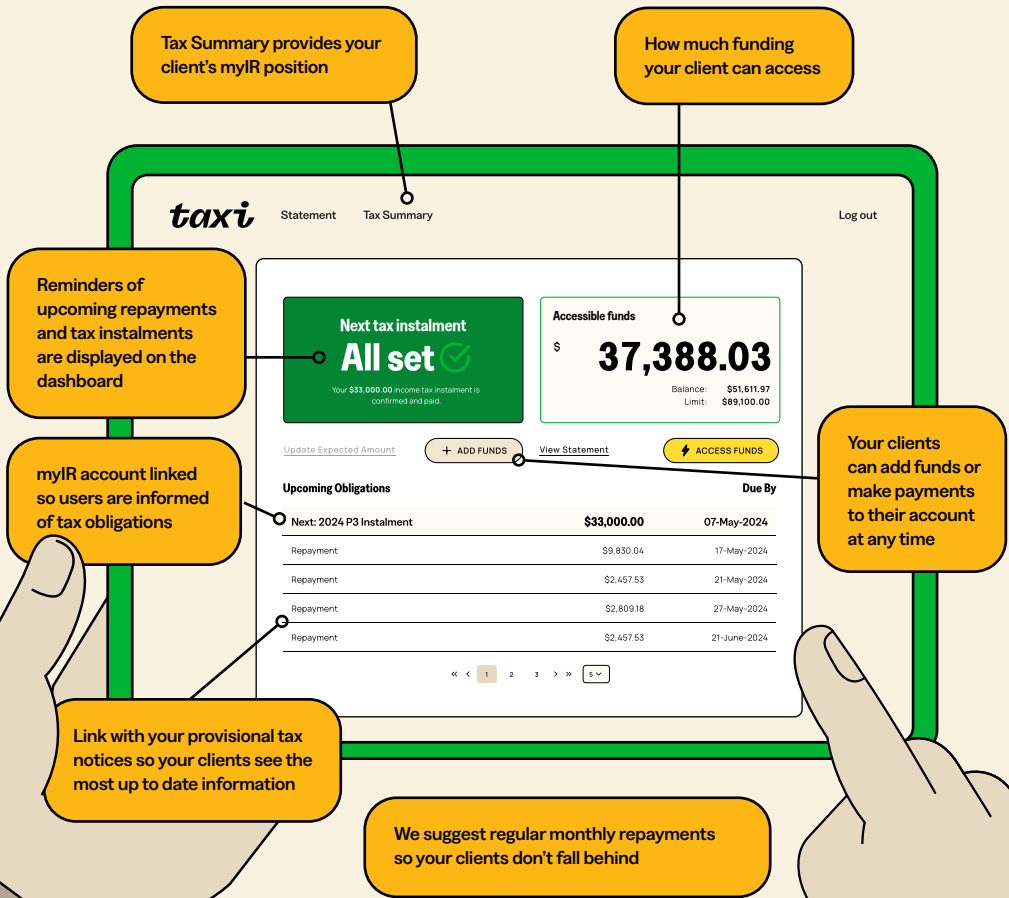


“Taxi makes paying into the tax pool a fantastic option for a lot more taxpayers. Being able to access funding secured by your tax payments is an enormous benefit.”

Darren Dettling  
Partner, Bendall and Cant.

# Easy to use dashboard

The Tax dashboard is simple to use and integrates with your client's myIR account so all their information is in one place. The dashboard provides your clients with everything needed to track their provisional tax payments and repayment schedule for any funds accessed from their Taxi account. We can also provide accountants with access to clients' information.





# Taxi's built-in guardrails

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## Sensible limits

- Taxpayers can access an amount up to 90% of the provisional tax payments they have made through Taxi in the prior 12-month period.
- This available limit will increase or decrease depending on the value of payments they have made through Taxi.
- Taxi can also apply a lower funding limit if you or your client prefers this.

## Manageable repayments

- Taxi automatically suggests monthly repayments based on the standard 9-month repayment term.
- No penalties or fees are charged for early repayments and as interest is charged upfront, any early repayment gives the taxpayer an interest rebate.
- Taxi can extend the nine-month repayment term if required, provided the taxpayer continues to make their provisional tax payments through Taxi.

## Additional safeguards

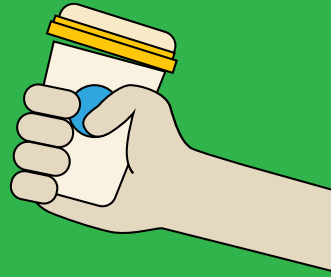
- Taxi will automatically drop the available limit if a taxpayer fails to make repayments and fails to make their next provisional tax payment through Taxi.
- Taxi uses provisional tax payments as security to access funding at an affordable rate.
- Taxi holds security over a taxpayer's three most recent provisional tax payments only. This means that provisional tax payments that relate to the prior year's tax return are not held as security and can be transferred to IRD within the legislative deadlines.
- Provided your clients continue to make their provisional tax payments on time, their tax compliance is not put at risk.

And remember... Taxi uses Tax Traders who meet the requirements set out in the Tax Administration Act 1994 to establish and maintain a tax pooling account. You have visibility of your client's Taxi payments and tax position through Tax Traders, and our tax payment advice can be applied to your client's Taxi account.

\*The onboarding contribution and monthly administrative support payment can be waived if these payments do not meet your firm's disclosure requirements as part of your adhering to external codes of ethics.



# Apply to join the Taxi Partner Programme



We love to partner with innovative accounting and advisory firms up and down the country. There are many benefits both for you and your clients. Apply to be part of the Taxi Partner Programme today and see your practice grow.

## Onboarding contribution

We acknowledge that introducing your clients to something new, even when it makes good sense, can be time-consuming. We offer a \$200 contribution per user for the first 5,000 national users to pay their tax through Taxi (this changes to a \$95 contribution after 5,000 users).

We're accountants too and we know that sometimes time really is money.

## Meaningful advisory

Your clients will receive a 10% discount off their standard administration fee and as advisors, you will receive \$2 per month per user (paid quarterly in arrears) to recognise any potential ongoing administrative support.

## Comprehensive marketing toolkit

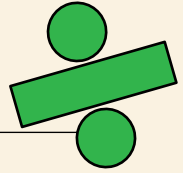
We've done the hard work for you with our range of marketing materials. We'll provide you with everything from explainer PDFs demonstrating how Taxi works, to ready-to-use EDM inserts that you can directly incorporate into your communications.

## Training and support

Our team of accountants and tax specialists are ready to provide training and support where needed.

Apply to become a Partner today!

# Understanding our fees



When your clients use Taxi, there are just two types of fees incurred: the Facility Fee and the Interest Fee. Here's a breakdown of each to help you advise your clients accurately:

## Facility Fee



### What it covers

The Facility Fee is charged against the Taxi facility limit available to your clients, through their account. If your client does not need access to the full limit available to them, they can reduce their Taxi facility limit.



### How it's calculated

This fee is calculated daily based on the Taxi facility limit and is charged quarterly. The charging period begins as soon as your client pays their provisional tax through Taxi.



### When it's charged

The Facility Fee is calculated daily and billed quarterly.

## Interest Fee



### What it covers

The Interest Fee applies only to the funds that your clients access.



### How it's calculated

Charged upfront at the start of the borrowing period, this fee is based on the amount accessed and the interest rate at that time.



### Rebates

If your clients repay the accessed funds before the end of their agreed repayment term (partially or in full), we will issue a rebate for the interest that had been prepaid on the amount repaid ahead of schedule.

[See our pricing page for up-to-date rates](#)

# Customer stories

There are so many different ways that a business will benefit from Taxi, from investing in new plant and equipment to smoothing seasonable cash flow. The following user stories are based on our Taxi user research.

Check out all of our case studies



## Use case example 1

### ABC Electricians

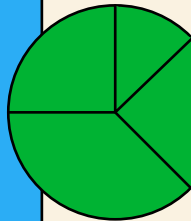
Jamie is an electrician and now operates a successful business with a growing team of electricians and technicians.

Jamie's business has won a contract to work on a new hotel but requires two new commercial vans and more equipment at a cost of \$96,000 to meet this contract. The contract will be profitable for Jamie's business and see a positive step change in the business, however as the business is growing, Jamie does not have \$96,000 available in his accounts and does not want to go through the long and difficult process of applying for an extension on his business overdraft.

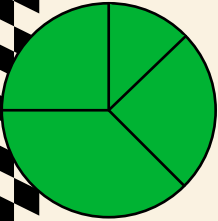
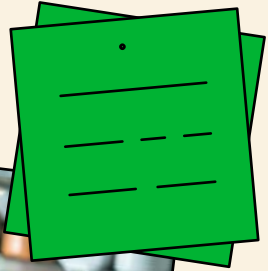
Jamie's business has recently paid \$141,000 in provisional tax. Prior to Taxi, these funds would have been paid directly to Inland Revenue and not be available to Jamie to utilise.

However, because Jamie has paid his provisional tax via Taxi, Jamie now has the option to access up to \$126,900 as working capital to purchase the required vans and equipment and accept the new contract.

Jamie will pay 7.09% which is about half what the business would pay if they could access these funds from a major bank. Importantly, this option might simply not be available from a major bank and the Taxi facility provides the ability to continue to grow profitably, as well as providing immediate peace of mind.



\*Interest rate at the time of case study: 7.09% p.a.



Use case example 2

## Beachside Bakery

Sharon runs a successful bakery in a well known tourist location. She makes a profit of \$210,000 per annum. In December, before their peak trading time, and after significant investment into their fitout, Sharon's dough prover cabinet blows up. This will cost approximately \$14,000 to replace and without this, Sharon will not be able to produce any baked goods to sell.

Sharon has a business overdraft that she could use for replacing the dough prover but this will cost 19% per annum, adding a total of \$2,660 to the cost of replacement.

Sharon has also recently paid her August provisional tax payment of \$19,600 via Taxi. Sharon now has the ability to access up to \$17,640 as working capital to cover the cost of the new dough prover and continue to trade profitably. Sharon will pay only 7.09% which is under half what she would pay if they could access these funds from a major bank.

\*Interest rate at the time of case study: 7.09% p.a.



Use case example 3

## Commercial Build Co.

Alex operates a typical construction business in New Zealand. Alex owns the business and employs three others. Alex's construction business earned \$600,000 last year and will pay \$176,400 in provisional tax this year. In the construction industry, only 59% of clients pay on time, leaving businesses like Alex's to find ways to cope with big cash flow challenges, including using expensive overdraft facilities.

Alex is waiting for the sale of a property to go through, but it has been delayed due to a hold-up with the final inspection. Alex now faces a cash flow challenge and does not have the cash to attend to usual business demands. Alex might have the option of using a business overdraft but this could be subject to 22% interest p.a. However, Alex has paid his latest provisional tax payment of \$58,800 via Taxi, meaning Alex can now access up to \$52,920 for short term funding, trade through the cash flow bump, receive the proceeds for the sale of the property, and then repay the Taxi funds in a way that suits the business – within a 9 month period.

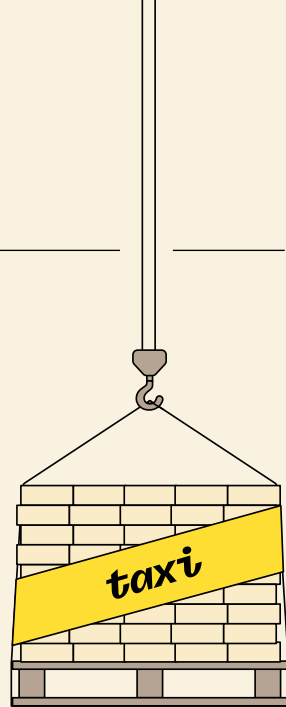
\*Interest rate at the time of case study: 7.09% p.a.



# Who uses Taxi?

Since launching Taxi in March 2024, we have seen a huge uptake across multiple industries.

- Construction, maintenance and logistics
- Manufacturing
- Businesses, HR and consulting services
- Hospitality, food & beverage
- Professional services firms
- Any seasonal business
- Any business that is growing!



- ✗ Your client must be paying provisional tax to use Taxi
- ✗ Your client cannot be using AIM to calculate their provisional tax payments and must not be on a tax repayment plan with IRD

## Find out more about Taxi

[GoTaxi.co.nz](https://GoTaxi.co.nz)

➤ [Book a demo](#)

Talk to us about our Taxi Partner Programme to be equipped with the right training and resources to communicate easily with your clients.

Taxi allows you to create real value for  
your clients and for your practice.

*taxi*

**Tax-powered business funding for  
businesses going places.**



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Learn more about Taxi's benefits for your clients  
and our Partner Programme [here](#).

GoTaxi.co.nz

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