

Has the IRD sent a Refund in error?



The IRD has recently clarified their position of what to do if you've received a refund for payments or credits the IRD has released in error. Simply, you can return it to them, they'll update their records to show the date of the original payment or credit assessment. This can avoid late payment penalties and interest being charged, or will allow the credit to be transferred to a different account or tax type at an earlier date. The timeframe for returning the refund and keeping the original date (and not incurring any penalties or interest) depends on how you received it.

Returning direct credit refunds

You have 20 working days to return an incorrect refund you've received by direct credit to keep the original date of the credit. The payment needs to be for the same amount as the refund and made to the tax type and period it was refunded from.

When the direct credit has been repaid, please call us on 0800 443 773 so we can place a hold on the account to stop another refund and change the payment date on the record to the original effective date.

If you send a cheque to repay the refund, include a note explaining why it's been returned and what tax type and period it was refunded from.

Refunds returned after 20 working days will be treated as a new payment and the effective date will be when we receive it. This means interest and late payment penalties may be applied if the credit was to be transferred to a different account or tax type.

Returning cheque refunds

Cheque refunds issued in error can be returned to us at any time as long as the cheque hasn't been banked. Just return our cheque to us, including a note explaining why it's been returned and request the credit is re-banked into the tax type and period it was refunded from. This will be updated with the same effective date of the original payment or credit.