

Taking stock for your own use

IRD says you should value stock taken for your own use at market value, and record this in your accounts as a sale, which has the repercussion of paying income tax & GST on that value.

If you take raw materials to be used for manufacture, market value is their cost, presumably because if you were to sell them, you probably couldn't get a higher price for them.

If you take goods you have bought for resale, market value is your selling price.

However be aware of obsolescence or expiry dates. A baker's stale scones might be near valueless, depending on the location of the bakery, and valuing this as such will reduce both the income tax and GST payable.