

Tax information for Sports clubs

Amateur sports promoters

Amateur sports promoters (any society, trust or association set up for the purpose of promoting any amateur sport, such as a cricket club) are exempt from income tax, unless their funds are used for the private benefit of the club's owners, shareholders, members, beneficiaries or associates. An exemption isn't automatic so you'll need to apply for it in writing.

Applying for an income tax exemption

You'll need to provide the following:

- IRD number - if you don't have one, you'll need to apply. Please complete an *IRD number application - non-individual (IR596)*
- a copy of the club's rules, constitution, trust deed or other founding documents
- a copy of the club's certificate of incorporation (if applicable)
- a letter stating the type(s) of exemption being requested
- details of how the club has been or will be operating.

If you don't qualify for full income tax exemption

If you don't qualify for a full exemption you could qualify for a deduction from your club's net income. This can be up to \$1,000 per year to reduce the amount of tax your club pays.

Amateur sports promoters can apply for exemption from RWT

If you're an amateur sports promoter you can apply for an exemption from RWT by completing an *Application for exemption from resident withholding tax (RWT) on interest and dividends (IR451)*.

If you have a full exemption from income tax you'll generally be eligible for an RWT exemption.

Profit-making sports promoters and clubs

Filing income tax returns for sports clubs

If your sports club does not have a full income tax exemption you'll need to file a *Clubs or societies income tax return (IR9)* for the relevant income tax year.

Income tax rates for sports clubs

If your sports club is unincorporated you'll be taxed at the same rate as individuals. Find your income tax rate by using the *Tax on annual income calculator*. The calculator can also work out your tax on taxable income.

If your sports club is registered and incorporated you'll be taxed at the company tax rate.

Paying resident withholding tax (RWT) for your sports club

If your sports club has money deposited in a bank or other financial institution, RWT may be deducted from the interest before it is paid.

You'll need to supply your sports club's IRD number to your bank or they will tax you at a higher tax rate.

You can claim the RWT deducted from your interest as a credit against tax payable in your tax return at the end of the year.