

Examples of how to calculate Customs Charges i.e Duty and GST.

Duty is applied to the cost of the goods, normally the price paid or payable to buy the goods, (the rate of duty is determined by the tariff classification of the goods).

GST of 15% is calculated on the total of; the cost of the goods plus the cost of the insurance and freight plus duty where applicable. Note some goods are free of duty.

Set out below are two examples, the first with GST charges only and the second example showing duty and GST charges.

Example 1 (GST Only):

Cost of goods = NZ\$1000

Cost of insurance and freight = NZ\$100

$\text{NZ\$1000} + \text{NZ\$100} = \text{NZ\$1100} \times 15\% = \text{NZ\$165 GST payable}$

Example 2 (Duty plus GST):

Cost of goods = NZ\$1000

Cost of insurance and freight = NZ\$100

Duty rate of 5% is used for this example

$\text{NZ\$1000} \times 5\% = \text{NZ\$50 duty payable}$

$\text{NZ\$1000} + \text{NZ\$100} + \text{NZ\$50} = \text{NZ\$1150} \times 15\% = \text{NZ\$172.50 GST payable}$

N.B.

Customs charges will be collected when the duty and or GST total payable for a shipment is NZ\$60 or more.

In these instances the importer will also incur an Import Transaction Fee (Customs and MAF) of \$38.07.

Customs charges will not be collected when the duty and or GST total payable for a shipment is less than NZ\$60.