

Imputation credits and Taxi — what accountants need to know

When your client accesses working capital through Taxi, the funds are secured against their provisional tax payments held in a tax pooling account (operated by Tax Traders and held in trust by Public Trust).

Inland Revenue has issued a [Product Ruling \(BR Prd 25/01\)](#), confirming how these transactions are treated for imputation credit purposes.



When your client transfers their tax credits to Taxi by way of security

There is no impact on their ICA.

The transfer of tax credits as security for an Advance through Taxi does not trigger a debit in the client's imputation credit account under sections OB 35 or OP 33.



When your client repays the Advance in full and the tax credits are returned

There is still no impact on their ICA.

The re-transfer of the same "date stamped" tax credits back to the client once the Advance is repaid continues to sit outside the ICA debit rules.



If your client defaults on their Advance

This is when ICA treatment changes.

If a client defaults — meaning the Advance, interest, or fees are not repaid — Taxi may realise the security by taking full ownership of the tax credits. In that case, the ICA debit rules will apply to the client, as the tax credits are no longer held on their behalf.

Key points

- Using Taxi will not affect their ICA position unless they default.
- This treatment has been formally confirmed in Inland Revenue's product ruling BR Prd 25/01, which applies to Taxi transactions from 1 April 2025.
- The ruling provides confirmation that imputation credits remain intact while the client uses their tax payments to unlock funding through Taxi.

Sources:

IRD Product Ruling BR Prd 25/01

Taxation (Annual Rates for 2024–25, Emergency Response, and Remedial Measures) Bill