Inland Revenue
Te Tari Taake

IR1229
September 2025

Bright-line property tax

For residential property sold from 1 July 2024

Introduction

On 1 October 2015 the bright-line test was introduced applying to residential property bought and sold within a certain period of time (bright-line period). Since 2015, a number of changes have been made to the test.

This guide explains:

- how the bright-line test applies for residential property sold from 1 July 2024
- the exclusions for main home, business premises and farmland
- rollover relief for ownership transfers of inherited property, relationship property and transfers between associated persons
- what expenses you can deduct from this income for tax purposes
- what bright-line income to include in your income tax return
- what happens if you sell the property for a loss.

This guide is not intended for people in the business of property speculating, dealing, developing or building who include property sales as business income in their income tax return. If you have purchased and sold several residential properties or you're a commercial operator, we recommend you consult a tax agent. However, it's still your responsibility to be aware of your tax obligations.

For information on how the bright-line test applies to residential property sold before 1 July 2024, see our guide **Bright-line property tax – IR1227**.

Note

Properties affected by a North Island adverse weather event and purchased by the Crown or local authority are not taxable under the bright-line test. For more information refer to ird.govt.nz/2023-weather-events

ird.govt.nz

Go to our website for information and to use our services and tools.

- Log in or register for myIR - manage your tax and entitlements online.
- Calculators and tools - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- Forms and guides - download our forms and guides.

Forgotten your user ID or password

Request these from the myIR login screen and we'll send them to the email address we hold for you.

How to get our forms and guides

You can get copies of our forms and guides at ird.govt.nz/forms-guides

Contents

Introduction **2**
ird.govt.nz **3**
How to get our forms and guides **3**

Part 1 - Bright-line test **6**
Residential property 6
Bright-line period 6
Bright-line start and end dates 7
Start date 8
End date 13

Part 2 - Exclusions **15**
Main home 15
Main home exclusion 16
Main home held in trust 18
Limits to claiming the main home exclusion 19
Using the main home exclusion for 2 properties 20
Rollover relief and main home exclusion 21
Renting to flatmates 21
Co-owners 22
Construction period 22
Subdivided property and the main home exclusion 24
Business premises exclusion 24
Farmland exclusion 25

Part 3 - Rollover relief **27**
Transfers of deceased estate and inherited property 27
Relationship property agreements 29
Transfers between associated persons 30
Associating 2 relatives 31
Transfer of property from individual (trustee, settlor and beneficiary) to family trust 32
Transfers to or from look-through companies (LTCs) 33
Transfers to a trustee of a trust 34
Attributing main home usage 34
Certain transfers of residential land subject to Te Ture Whenua Māori Act 1993 to or from a trust 35
Land transferred as part of a settlement under Te Tiriti o Waitangi 37

Part 4 - Co-ownership **38**
Joint tenancy to tenancy in common (and vice versa) 38
Acquiring and removing shares 38
Subdividing co-owned land 40

Part 5 - Deductions **42**
The cost of the property 42
Holding costs 42
Depreciation 44

Part 6 - Filing your income tax return **45**
Completing your income tax return 46
Claiming a bright-line loss 46
Limiting bright-line losses claimed 46
Carrying forward bright-line losses for a company 47
Residential land withholding tax (RLWT) 47
Record keeping 48

Part 7 - Services you may need **49**
Publications 49
0800 self-service number 51
Need to speak with us? 51
Privacy 51

Part 1 - Bright-line test

The bright-line test taxes profit made on the sale of residential property when it is sold within a certain period of time (bright-line period) and no exclusions or rollover relief apply.

The bright-line test also applies to New Zealand tax residents who buy and sell residential property overseas.

Your intention or purpose for purchasing or selling the property is not relevant.

Note

There are other land taxing rules that should be considered before the bright-line test.

You can use the **Property tax decision tool** on our website to work out if you need to pay tax on the sale of your property under the land taxing rules, including the bright-line test. For more information go to ird.govt.nz/bright-line

Residential property

Residential property includes:

- land with a house on it
- land the owner has an arrangement to build a house on
- land the owner can build a house on under the district plan rules.

Residential property does not include farmland or land used predominantly as business premises, unless it is a business providing accommodation in a dwelling that is not the owner's home. For more information, see Part 2 - Exclusions.

Example

Robert buys a section zoned for residential purposes in June 2024. He plans to build a home for his family. His situation changes and he sells the section in August 2025.

Even though there is no house on the land at the time of sale, the bright-line test applies.

Bright-line period

The bright-line period begins with the bright-line start date and ends with the bright-line end date.

For residential property sold on or after 1 July 2024, the bright-line test looks at whether your bright-line end date for the property is within 2 years of your bright-line start date.

Example

Mia purchases a property with a bright-line start date of 5 January 2022, which she uses as a rental property. She sells the property on 27 July 2024.

The bright-line end date for the property is after 1 July 2024. However, because it is more than 2 years after the bright-line start date, any profit on the sale is not taxable under the bright-line test.

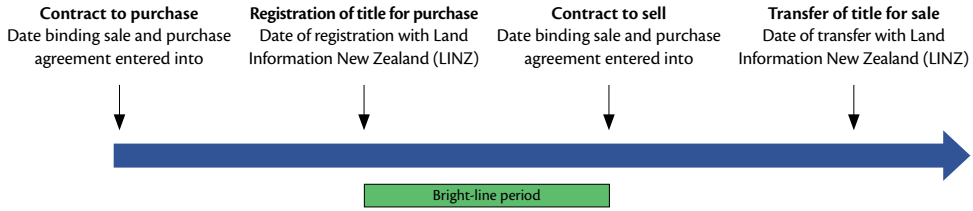
Note

For property sold before 1 July 2024, the bright-line test works differently. For more information, see our guide **Bright-line property tax – IR1227**.

Bright-line start and end dates

For a standard purchase of property, the bright-line period starts from the date the transfer of the property's legal title is registered to you under the Land Transfer Act 2017 (usually the settlement date).

For a standard sale, the bright-line period ends when you enter into a binding sale and purchase agreement to sell the property (even if some conditions like getting finance or a building report still need to be met).



Example

Marie signs an agreement to buy a residential property on 19 March 2023 for short-stay accommodation. The transfer to Marie is registered on the title with LINZ on 17 May 2023.

She decides to sell the property and signs an agreement on 26 July 2024. The transfer is registered on the title on 31 August 2024.

The start date for the bright-line period is 17 May 2023 (the day the transfer to Marie is registered) and the end date is 26 July 2024 (the day the agreement for sale is entered into).

There are other situations that do not follow the standard land sale process. For these situations, there are separate rules for when the bright-line period starts and ends.

Start date

The table below shows various types of purchase and acquisition and the date the bright-line period starts for each.

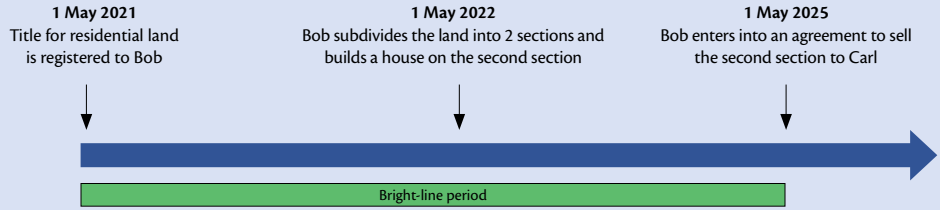
Type of purchase/acquisition	Date to use
Standard purchase of a property	Date the transfer of the property is registered to you with Land Information New Zealand (LINZ) (usually the settlement date)
Subdivided land – property you have subdivided	The original date of registration for the undivided property
Partitioned land – land that results from subdividing land you co-own	Generally, the date the undivided land was registered to you with LINZ (exceptions apply)
Off the plans – property acquired relying on the completion of a land development or subdivision	Date you entered into a sale and purchase agreement
Change of trustee – land transferred from a trustee of a trust to another trustee of the trust	Bright-line start date for the original trustee
Joint tenancy converted to a tenancy in common or tenancy in common converted to a joint tenancy	To the extent the person's share in the land is unchanged, the bright-line start date for the land before the tenancy was converted
Purchase where no registration happens before the sale date	Date you acquired an interest in the property
Freehold estate converted from a lease with a perpetual right of renewal	Date you were first granted the leasehold estate
Land outside New Zealand	Date the transfer of the property is registered to you under foreign laws

For more information on what start date to use, go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 25/11: When is the bright-line start date for the 2-year bright-line test?**

Subdivided land

When land is subdivided, the start date for the bright-line period is the date the legal title for the undivided land was originally registered to the owner under the Land Transfer Act 2017.

Example



The start date for the bright-line period is 1 May 2021 and the end date is 1 May 2025. Bob's sale of the second section to Carl is not taxable under the bright-line test because the bright-line end date is not within 2 years of the bright-line start date. Bob has owned the property for more than 2 years. However, Bob may still need to consider whether any of the other land taxing rules apply.

For more information go to taxtechnical.ird.govt.nz and refer to our **Question we've been asked (QB) 25/12: How does the bright-line test apply to the sale of a subdivided section?**

Partitioned land

When land is partitioned, the start date of the bright-line period is the date the legal title for the undivided land was originally registered to the co-owners under the Land Transfer Act 2017, as long as the end value of the land the co-owner receives, out of the total value of the land still held by all co-owners, is 105% or less of their contribution to the cost of the undivided land as a proportion of total cost. Land held by co-owners includes land held alone, jointly or in common with another person. Contributions to the cost of the land includes subdivision, development and building costs.

If the end value is more than 105%, the additional land and the original land will have different start dates for the bright-line period. The proportion of additional land can be calculated with the formula:

(End value proportion – acquisition proportion) ÷ end value proportion

Acquisition proportion is the co-owner's contribution to the cost of the land as a proportion of the total cost. It includes all costs to subdivide, develop, and build on the land.

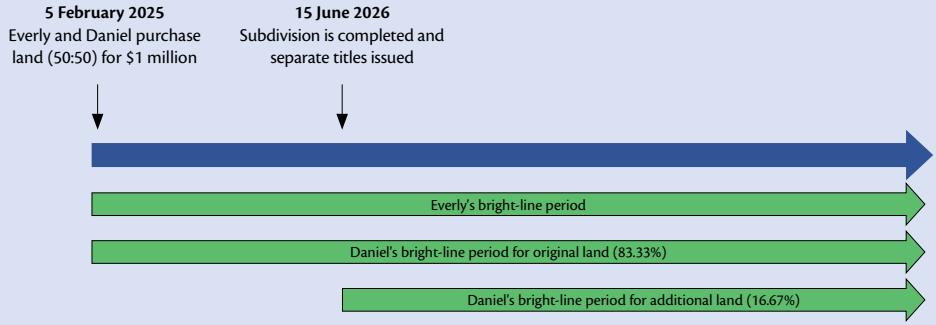
End value proportion is the total value of the land the co-owner receives on the completion of the partition or subdivision out of the total land value. It includes land that the co-owner holds jointly with another person.

The original land is the proportion of land remaining after the additional land has been calculated.

The bright-line start date for the additional land is the date the co-owner becomes entitled to the partitioned land (usually the date the transfer is registered to them with LINZ).

The bright-line start date for the original land is the date the legal title for the undivided land was originally registered to the co-owners under the Land Transfer Act 2017.

Example



Everly and Daniel purchase land together (50:50 share) on 5 February 2025 for $1 million. They subdivide the land and build a house on each lot, each contributing $500,000 towards the $1 million development costs. The subdivision is completed and separate titles issued on 15 June 2026, with Everly and Daniel receiving a lot each.

The new title values:

- Everly's lot is valued at $1 million
- Daniel's lot is valued at $1.5 million
- Total land value is **$2.5 million**

Everly's calculation

Everly's share of the total land value:

- Everly's share is $1 million / $2.5 million = **40%**

Everly's contribution to the land and development costs:

- Everly's total contribution is $500,000 (land) + $500,000 (build) = **$1 million**
- Everly's proportion of the cost is $1 million / $2 million = **50%**
- 105% of Everly's proportion of the cost is 105% x 50% = **52.57%**

The proportion of the value of land Everly receives (40%) is less than 105% of her proportion of the cost (52.57%). The start date for Everly's bright-line period is **5 February 2025**.

Daniel's calculation

Daniel's share of the total land value:

- Daniel's share is $1.5 million / $2.5 million = **60%**

Daniel's contribution to the land and development costs:

- Daniel's total contribution is $500,000 (land) + $500,000 (build) = **$1 million**
- Daniel's proportion of the cost is $1 million / $2 million = **50%**
- 105% of Daniel's proportion of the cost is 105% x 50% = **52.57%**

The proportion of the value of land Daniel receives (60%) is more than 105% of his proportion of the cost (52.57%). Daniel's additional land and original land will be treated as having different acquisition dates. The additional land is calculated with the formula:

(End value proportion – acquisition proportion) ÷ end value proportion
(0.6 – 0.5) ÷ 0.6 = 16.67%

The start date for the bright-line period for the additional land (16.67%) is **15 June 2026**, and for the original land (83.33%) is **5 February 2025**.

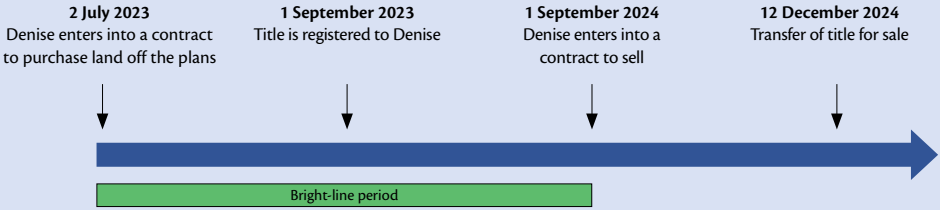
For more information, see the **Tax Information Bulletin (TIB), Vol37, No 5 (June 2025)** page 127.

Off the plans

A purchase off the plans occurs when a person enters into a contract to purchase a parcel of land being developed or subdivided. At the time the person enters into the contract, the title does not yet exist (as the land needs to be subdivided or developed before a separate title can be issued). The person agrees to be registered on the title once it exists.

In this situation, an earlier start date for the bright-line period is used. The start date is the date the person enters into an agreement to buy the land.

Example



The bright-line test applies because the bright-line end date of 1 September 2024 (the date Denise entered into a contract to sell) is within 2 years of the bright-line start date 2 July 2023 (the date Denise entered into a contract to buy the property off the plans). Any profit on the sale is taxable.

Freehold estate converted from a lease with a perpetual right of renewal

When a person has a lease with a perpetual right of renewal which they then convert into freehold land, the start date for the bright-line period is the date the person is first granted the lease. This is consistent with other tax provisions that treat a lease with a perpetual right of renewal similar to freehold estates.

Example

The start date for Kelly's bright-line period is 1 July 2023 (the date the lease with perpetual right of renewal was first granted) and the end date is 1 August 2024 (the date she entered into an agreement to sell the land).

Any profit made by Kelly on the sale of the land is taxable under the bright-line test because the bright-line end date is within 2 years of the bright-line start date.

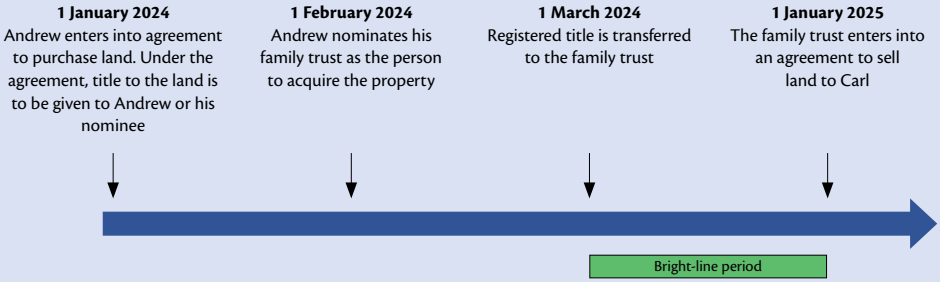
Contract with purchaser and/or nominee

Often when someone enters into a contract to buy land, the person is named as the purchaser and/or nominee. Before settlement, the person may choose to nominate someone else to complete the purchase, for example a family trust.

In this situation, the bright-line period starts for the nominee on the date the transfer of title is registered to them (this typically happens on the settlement date). If there is no registered transfer of the land, the bright-line period will start on the date they were nominated as purchaser.

This situation will not give rise to any potential bright-line implications for the nominator (the original named purchaser). This is because the nominator does not transfer their interest in the land to the nominee when they make the nomination (there is no disposal). When the legal title is transferred to the nominee, the nominator's interest in the land simply ceases to exist, it is not disposed of.

Example



Andrew acquired an interest in the land (the right to purchase the land) on 1 January 2024 (the date he entered into the sale and purchase agreement). The nomination of the family trust as purchaser does not give rise to any bright-line implications for Andrew. This is because Andrew did not transfer his interest in the land to the family trust when he made the nomination, so there is no disposal of land by him. On settlement when legal title transferred to the family trust, Andrew's interest in the land ceased to exist and it was not disposed of.

The bright-line period starts on 1 March 2024 for the family trust which is the day legal title to the property is registered to the trust.

End date

The table below shows various types of sales and disposals and the date to use for the bright-line end date. This can include situations where a property is disposed of but there is no agreement in place to dispose of it.

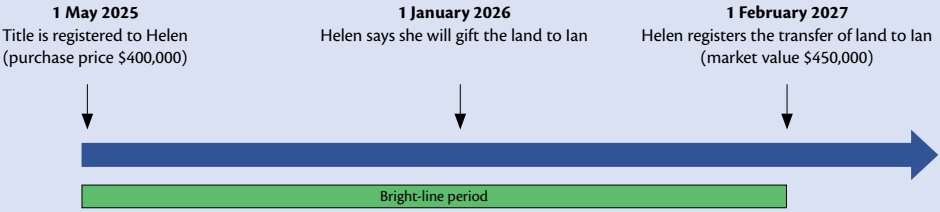
If more than 1 type of sale or disposal applies, then use the earliest date for your bright-line end date.

Type of sale/disposal	Date to use
Standard sale of a property	Date you entered into a sale and purchase agreement
Gifting of property	Date the gift was made
Compulsory acquisition by the Crown, a local authority or a public authority	Date of compulsory acquisition
Mortgagee sale	Date the property is disposed of by or for the mortgagee because the mortgagor defaulted (usually the settlement date)
Disposals not covered above	Date you disposed of the property

Gifts

For gifts, the end date for the bright-line period is the date the person makes the gift of the residential property. This is the date you have done everything necessary to transfer the property to the new owner. This means for a gift of residential property, it is generally the date the interest is registered to the new owner.

Example



The start date for the bright-line period for Helen is 1 May 2025 (the date title is registered to Helen) and the end date is 1 February 2027 (the date title is transferred to Ian). Helen's disposal of the land will be taxed under the bright-line test because she disposed of the land by gifting it to Ian within 2 years of the bright-line start date.

Under ordinary tax rules, gifts of land are treated as if they are transferred at market value. As a result, Helen is deemed to have transferred the land to Ian at market value and $50,000 is taxable.

Part 2 - Exclusions

A property will not be taxed under the bright-line test if you meet one of the following exclusions:

- it's your main home and your use meets the criteria
- it's used predominantly as business premises
- it's being used as farmland or capable of being used as farmland.

Main home

Your main home is the property where you live for most of the time. You cannot have more than 1 main home.

If you have more than 1 property, your main home is the property you have the greatest connection with. This depends on:

- the amount of time you live in each home
- where your immediate family (if any) lives
- where your personal property is kept
- where your social ties are strongest
- your use of each home
- what other ties (for example employment, business and economic) you have with the surrounding community.

Example

Lisa rents an apartment in Wellington, where she lives with her son. The apartment is close to her office from where she runs her consulting business. She is a member of a local tramping club and is on the Board of Trustees of her son's local school.

She owns a house on Lake Taupō with views over the lake that she does not rent out when she is not using it. She spends 5 weeks with her son in this property over Christmas and New Year and also uses the property for 4 weekends during the ski season.

When Lisa sells the Lake Taupō property, she cannot use the main home exclusion because it is not her main home. It is not the property she had the greatest connection with.

For more information go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 24/01: If a person has two or more homes, which home is their main home for the purpose of the main home exclusion to the bright-line test?**

Main home exclusion

You can claim the main home exclusion if you:

- used more than 50% of the property's area as your main home (including the yard, gardens, and garage)
- lived in the property as your main home for more than 50% of the bright-line period.

If either one of these is 50% or less, then the main home exclusion does not apply and you will need to pay tax on any profit when you sell the property.

Note

For properties sold before 1 July 2024, different criteria apply depending on when you acquired the property. For more information, see our guide **Bright-line property tax – IR1227**.

Area of land usage

To be a 'main home', more than 50% of the area of the land must have been used. To calculate this, you need to consider all areas including the yard, gardens and garage.

In some circumstances, you will be required to determine the area of land used for your private residential purposes and the area of land used for other purposes.

For example, when a single property has been used by you partly as a residential home and partly as a rental property, you will need to determine the relative areas of each. In some cases, you may have determined the relative areas in working out any tax deductions you can claim for example, insurance and rates.

Example

Mele owns a property which is 600m^2. The property includes a house (500m^2) and a fenced off flat (100m^2). She lives in the flat and the house is rented out.

The main home exclusion does not apply because Mele is living in the flat which is 100m^2 and less than 50% of the total property area.

Example

In February 2024, Pinky buys a country store that has living quarters attached. She resides in the living quarters and runs a retail business from the front of the property. She calculates that the retail business uses 45% of the property and claims expenses (insurance and rates) on that basis against the retail income. Pinky sells the property and cannot use the business premises exclusion as the land is not used predominantly for her retail business.

However, Pinky can use the main home exclusion if she sells the property within the bright-line period because she has lived in it as her main home for 55% of the bright-line period.

Living in your main home

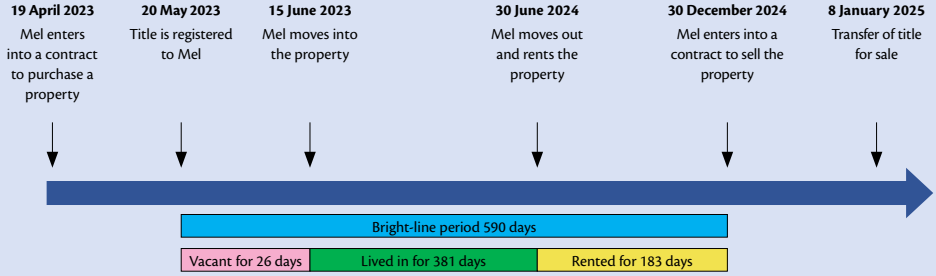
You must have lived in the property as your main home. Having the intention to use the property as your main home is not enough. The exclusion also does not apply when only a family member (and not you) has lived in the property as their main home.

The property must have been lived in as your main home for more than 50% of the bright-line period. However, the property does not need to have been used without interruption as your main home. For example, a main home can be rented out for short periods while you are on holiday or before settlement of the sale of the property, as long as the total time it was used as your main home is more than the total time it was not used as your main home.

Example

Kate buys a residential property with a bright-line start date of 28 March 2023. She lives in the property as her main home for 14 months. She then rents the property out for 4 months prior to selling it. The bright-line end date is 20 September 2024. Kate can claim the main home exclusion and any profit on the sale will not be taxable under the bright-line test. This is because Kate lived in the property as her main home for more than 50% of the bright-line period.

Example – Main home exclusion applies – Land area used and lived in for more than 50%



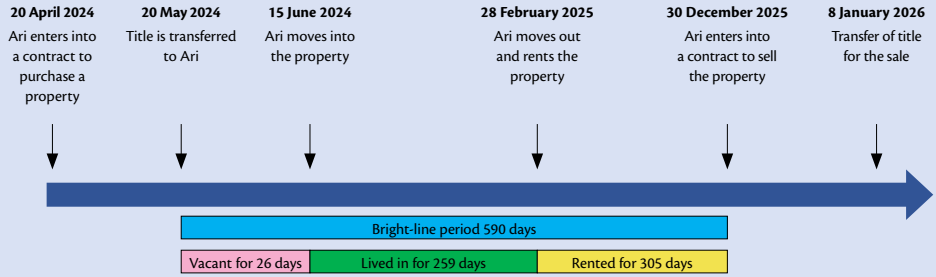
On 19 April 2023, Mel enters into an agreement to purchase a property. Title is transferred to Mel on 20 May 2023. Mel lives in the property from 15 June 2023 to 30 June 2024. On 30 December 2024, Mel enters into an agreement to sell the property and the title is transferred to the new owner on 8 January 2025.

The bright-line period is 590 days, starting on 20 May 2023 and ending on 30 December 2024.

Mel lives in the property for 381 days, using it as her main home 65% of the time during the brightline period (381 / 590 days).

The main home exclusion applies because Mel has used all of the property as her main home for more than 50% of the bright-line period. Any profit on the sale is not taxable under the bright-line test.

Example – Main home exclusion does not apply – Land area used more than 50% and lived in for 50% or less



On 20 April 2024, Ari enters into an agreement to purchase a property. Title to the property is transferred to Ari 20 May 2024. Ari lives in the property from 15 June 2024 to 28 February 2025. On 30 December 2025, Ari enters into an agreement to sell the property and the title is transferred to the new owner on 8 January 2026.

The bright-line period is 590 days, starting on 20 May 2024 and ending on 30 December 2025.

Ari lives in the property for 259 days, using it as her main home 44% of the bright-line period (259/590 days). The main home exclusion does not apply because the property is used by Ari as her main home for less than 50% of the bright-line period. Ari's profit on the sale is taxable.

Main home held in trust

A residential property held in trust can use the main home exclusion if the property sold was the main home of a beneficiary of the trust and 1 of the following apply:

- the principal settlor does not have a main home, or
- it is the main home of the principal settlor of the trust that is being sold.

If a principal settlor of a trust has a main home that is not the one being sold by the trust, the main home exclusion cannot apply to any property owned by the trust.

Who is a principal settlor?

A principal settlor is the person who has provided the greatest (or equal greatest) value to the trust based on the market value of settlements on the trust. The principal settlor is a different concept from the settlor recorded in the Trust Deed.

The principal settlor will need to be established by examining the settlements for the trust.

For the purposes of determining a principal settlor, all provisions of value are counted except for the provision of services at below market value. If there are multiple people who have provided the equal greatest value to the trust, they are all considered principal settlors.

In addition, a person is not a principal settlor if they have provided an unconditional 'no-strings attached' gift to the trust. A transfer of value will also be disregarded unless that transfer is by:

- a beneficiary
- a trustee
- a person with the power of appointment or removal of trustees
- a person with a contingent interest in the trust property, in the case that the trust fails, or
- a decision-maker under the trust.

Example

According to a Trust Deed, Joe and Anna are trustees and their children are beneficiaries of the trust. The settlor of the trust was Rangi, who provided $10 to settle the trust.

Joe and Anna settled $500,000 on the trust, to be managed with in accordance with the terms of the trust deed. The trust later purchased a property. Joe and Anna lived in the property with their children until it was sold a year later.

By settling $500,000 on the trust Joe and Anna became the principal settlors of the trust, even though they are not recorded as settlors on the Trust Deed.

The property sold by the trust was the main home of the principal settlors of the trust and the beneficiaries of the trust, and therefore the main home exclusion applies.

Example

Aaron has 2 properties, a family home which he lives in, and a student flat which his son lives in while studying. Aaron settles the student flat in a trust and makes his son a discretionary beneficiary of the trust.

The trust cannot use the main home exclusion because Aaron, the principal settlor of the trust, has another main home.

Limits to claiming the main home exclusion

The main home exclusion does not apply when you:

- have a regular pattern of either buying and selling or building and selling your main home (even if you live in the property before it is sold)
- have already used the main home exclusion twice over the 2-year period immediately before you sold.

Regular pattern

If you (either alone or with a group of persons) have a regular pattern of either buying and selling or building and selling your main home, you cannot claim the main home exclusion even if you live in the property before it is sold. This means you will need to pay tax under the bright-line test on any profit made.

Determining whether there is a regular pattern can be complex. If you have purchased and sold several properties we recommend you seek advice from a tax advisor.

For more information, go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 25/09: When do I have a "regular pattern" of transactions that prevents me from using exclusions from the land sale rules for my residence or for my main home?**

Claiming the exclusion twice in 2 years

You can only use the main home exclusion twice in 2 years. If you sell your main home within the bright-line period and you have already claimed the exclusion twice in the 2-year period immediately before you sold, you will need to pay tax under the bright-line test.

Example

Property	Bright-line period start – registration of title for purchase	Bright-line period end – date sale and purchase agreement entered into	Title transfer for sale
1	26 July 2023	7 November 2023	7 December 2023
2	7 December 2023	9 June 2024	23 July 2024
3	23 January 2025	15 July 2025	4 August 2025

Emma has purchased and sold 3 properties and lived in all of them the entire time of the bright-line period. Both properties 1 and 2 were sold within the bright-line period.

Emma claimed the main home exclusion for properties 1 and 2 and therefore the bright-line test did not apply to the sale of these 2 properties. The bright-line period for properties 1 and 2 ended on 7 November 2023 and 9 June 2024 respectively.

Emma enters into an agreement to sell property 3 on 15 July 2025. As of 15 July 2025, Emma had already claimed the main home exclusion on 2 previous occasions within 2 years of 15 July 2025 (7 November 2023 and 9 June 2024). This means she is unable to claim the main home exclusion for property 3. Any profit on the sale of property 3 is taxable under the bright-line test.

Using the main home exclusion for 2 properties

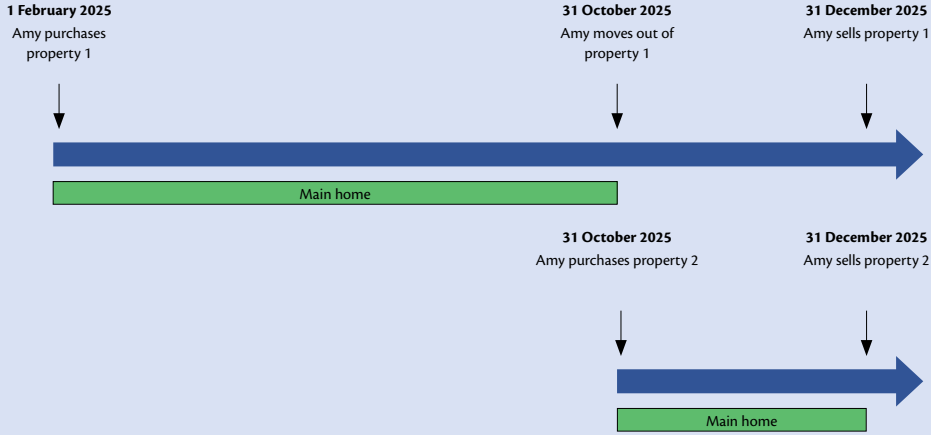
If you own 2 properties at the same time, it is possible to use the exclusion for both properties, but you can only do this for 1 property at a time.

An example is when you live in 1 house as your main home and then you move into a new house while trying to sell the first property. The original house may satisfy the requirements to be your main home for the period before moving into the new house. The new house may also satisfy the requirements to be your main home for the subsequent period.

The ownership overlap of the properties does not mean the original house fails to satisfy the requirements to be a main home for the period you own it. If you sell both properties within the bright-line period, you are able to use the main home exclusion for both properties (if they both satisfy the requirements to be your main home for the different periods).

Example

Amy purchases a property in Napier on 1 February 2025 and moves in. She decides the house is too small and puts it on the market. She buys another, larger house on 31 October 2025 and moves in immediately. In November 2025 Amy is promoted to a role in Auckland. She puts the second property on the market and they both sell on 31 December 2025.



The main home exclusion is available for both of Amy's properties. Property 1 was the main home for 9 of the 11 months of the bright-line period. Property 2 was the main home for the entire time of the bright-line period.

Rollover relief and main home exclusion

If rollover relief applies, any period of time a property is used as a main home by the original owner is also attributed to you and can be taken into account when you sell the property. This means the usage is attributed and there is no tax to pay at the time of the transfer if the main home exclusion applies.

For information about when rollover relief applies, see Part 3 - Rollover relief.

Renting to flatmates

Generally, when you're renting out a room in your home to a flatmate, the main home exclusion may still apply and you will not be taxed under the bright-line test.

For more information go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 24/02: Income tax – bright-line test – main home exclusion – renting to flatmates**.

Co-owners

Co-owners of property can have different main homes. On disposal, the bright-line test will only apply to an owner who has not used the property as their main home. For example, a person living in one city may have a different main home from their spouse or partner living in another city. The partner who co-owns the property and has not used it as their main home is required to pay income tax on their portion of any profit made when the property is sold, if sold within the bright-line period.

Where property is held:

- by joint tenant co-owners (that is, they do not have distinct shares in the property), profits/losses are allocated equally between owners
- by tenants in common co-owners (that is, where each owner has a distinct share in the property), profits/losses are allocated according to each owner's share of the property.

Construction period

When you build a new home, you can ignore the construction period when determining if your usage of the property qualifies for the main home exclusion. Only look at your usage for the period before construction began, and from when construction was completed to when the property was sold.

Construction is the work to build or erect the home, including the design phase. Construction is usually considered complete when the code compliance certificate is issued under the Building Act 2004. The exact length of the construction period depends on the facts and circumstances of each case.

Example

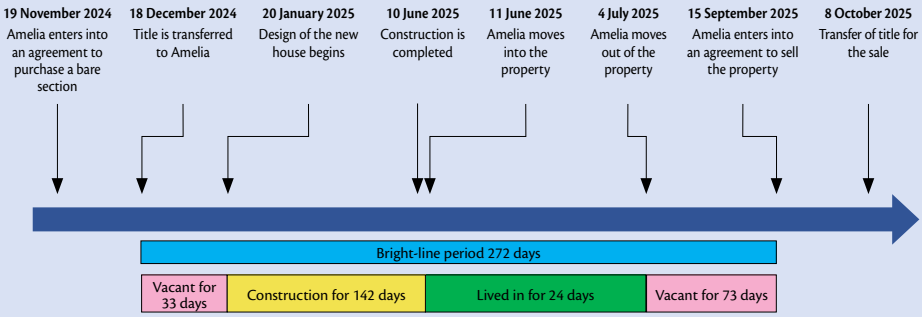
On 1 December 2023, Josh enters into an agreement to purchase a property off the plans in a new development. Construction is due to be completed in early 2025, but due to delays, construction is not completed until 2 June 2025.

Josh moves into the property immediately following settlement on 3 June 2025 and uses it as his main home until he enters into an agreement to sell the property on 4 December 2025.

Josh can ignore the 30-month construction period and only look at the period from 3 June 2025 to 4 December 2025 when determining whether he qualifies for the main home exclusion. He qualifies for the main home exclusion because he lives in the property as his main home for that whole period.

Any profit on the sale is not taxable under the bright-line test.

Example



On 19 November 2024, Amelia enters into an agreement to purchase a bare section. The title is transferred to Amelia on 18 December 2024. On 20 January 2025, Amelia engages an architect to start drawing up plans, starting the design of the new house. Construction is completed on 10 June 2025.

Amelia moves into the house on 11 June 2025 and uses it as her main home until 4 July 2025.

Amelia enters into an agreement to sell the property on 15 September 2025 and the title is transferred to the new owner on 8 October 2025.

Summary of Amelia's situation

- The bright-line period is 272 days, from 18 December 2024 to 15 September 2025.
- Total vacant days is 106 days. This is the period before construction begins from 18 December 2024 to 19 January 2025 (33 days) and when Amelia moves out of the property to the end of the bright-line period from 5 July 2025 to 15 September 2025 (73 days).
- The construction period is 142 days from 20 January 2025 to 10 June 2025.
- Amelia lives in the property for 24 days from 11 June 2025 to 4 July 2025.

To work out if the main home exclusion applies, Amelia can ignore the 142 construction days in the bright-line period. 130 days (272 – 142) is the total days used to calculate the main home exclusion.

Amelia uses the property as her main home for 24 days, so it is her main home for 18% of the time (24 / 130 days).

The main home exclusion does not apply to Amelia because the property is used as her main home for less than 50% of the bright-line period. Amelia's profit on the sale is taxable.

Subdivided property and the main home exclusion

The main home exclusion can apply to subdivided land even if there is no house on the subdivided section, as long as the land has been used as your main home for more than 50% of the bright-line period. This means your use of the land before subdivision and your use after subdivision is considered.

Example

Ling buys a property and uses it as his main home. Due to a change of circumstances, Ling decides to subdivide it after 2 months and sell off the back part of the original section. 2 new titles are issued on the subdivision – 1 for the subdivided section with the house and 1 for the subdivided section at the rear of the property that was previously used as the backyard. Ling continues to enjoy the land in the section as his backyard until he eventually manages to sell that section 12 months later.

The sale of the backyard section is within the bright-line period that would have applied for the undivided property. Ling can use the main home exclusion for the sale because the land in the backyard section is used as his main home for more than 50% of the bright-line period.

Fact variation:

Instead of using the rear section as his backyard, Ling constructs a new home (with a small garden and a garage) 2 months after buying the property.

The main home exclusion does not apply to the sale of the section with the new home (the former backyard) because the land in that section is not used as his main home for more than 50% of the bright-line period. Ling's bright-line period is 14 months, but he only uses the land in the subdivided section for his main home for 2 months.

For more information go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 25/12: How does the bright-line test apply to the sale of a subdivided section?**

Business premises exclusion

The bright-line test does not apply to residential property that has been used predominantly as business premises.

The property does not need to be used as a business premises by the owner; it may be rented out by the owner to other persons to use as their business premises.

Example

Natalie purchases a 'live-work' warehouse/apartment on a single legal title. The property is a 100m^2 warehouse on the ground floor and a 60m^2 1-bedroom apartment on the first floor.

Natalie leases the entire property to a tenant who operates a business from the ground floor. The tenant lives above the business in the 1-bedroom apartment. Natalie sells the property within the bright-line period to raise funds to start her own business. The 'work' component of the 'live-work' warehouse/apartment is bigger than the 'live' component of the property. The property is predominantly used as a business premises and is therefore not subject to the bright-line test.

If the first floor was more than 100m^2, the bright-line test would apply, as the property is 'residential land'. This is on the basis the property is 'predominantly used as a place of residence or abode'.

This exclusion does not apply when a residential property is:

- rented out for residential purposes such as a residential rental property
- used to provide short-stay accommodation - the business of supplying accommodation and the house is not the owner's main home.

For more information about the treatment of short-stay accommodation, go to **Tax Information Bulletin (TIB), Vol 33, No 6 (July 2021)** page 21.

For more information about the business premises exclusion, go to **taxtechnical.ird.govt.nz** and refer to **Question we've been asked (QB) 25/14: When does the business premises exclusion to the bright-line test apply?**

Farmland exclusion

The bright-line test does not apply to farmland. For the farmland exclusion to apply, the property must be:

- worked in a farming or agricultural business by the owner of the property, or
- capable of being worked as a farming or agricultural business because of its area and nature.

Property worked in the farming or agricultural business must be worked by you, the owner; it cannot be rented to someone else who farms it.

For a property to be capable of being worked as a farming or agricultural business, it must be suitable to support farming activities without major investment or modifications.

Example

Lee owns a 2 hectare lifestyle block including a house, vegetable garden and shed. Lee rents out the property to a family who graze 10 sheep and makes $2,000 a year selling the stock at the public livestock auction.

The farmland exclusion does not apply because Lee is not carrying on a farming or agricultural business. The land is not suitable to be worked as a grazing business without significant investment or modification. Also, while income is derived from grazing, the amount of income is not sufficient to cover what it costs to hold and operate the land as a farming business.

If Lee sells the property within the bright-line period, any profit made on the disposal will be taxable under the bright-line test.

Subdividing farmland

If you subdivide farmland and sell a portion of it, the subdivided portion of the land (along with other land owned or leased by you in your business) needs to be worked, or capable of being worked, as a farming or agricultural business at the time of sale for the farmland exclusion to apply.

Consider the area and the nature of the subdivided land in isolation from the rest of the land and whether the subdivided portion can support farming activities without major investment or modifications. The land must be suitable for a farming or agricultural business, without needing significant changes for the farmland exclusion to apply.

When land is subdivided, the start date for the bright-line period is the original date of registration for the undivided property.

Example

Jean and Robin own 150 hectares of land and use it in a dairy farming business. After 2 years, Jean and Robin decide to subdivide 2 hectares of the land to build a family home on the new section.

The subdivided portion is fenced off and is no longer being worked or capable of being worked by Jean and Robin along with other pieces of land in their dairy farming business. The 2 hectares is now considered residential land and if sold, Jean and Robin will have to consider if the bright-line test applies.

For more information go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 25/13: When is the sale of a lifestyle block excluded from the bright-line test?**

Part 3 - Rollover relief

Rollover relief applies to certain types of ownership transfers and means:

- the person transferring property to you will not be taxed at the time of the transfer
- we treat you as having purchased the property at the same time and for the same price as the person you received it from.

You take the previous owner's bright-line start date and cost base, and the previous owner is treated as having sold the property at cost.

Rollover relief is available for property transferred:

- as deceased estate and inherited property
- under a relationship property agreement
- under a resident's restricted amalgamation
- between associated persons
- to a trustee of a trust if all beneficiaries are persons that have been associated with the transferor or charities.

Rollover relief also applies to certain transfers of land subject to Te Ture Whenua Māori Act 1993 and transfers as part of settling Te Tiriti o Waitangi - Treaty of Waitangi claims.

Note

The rules for rollover relief for certain ownership transfers of residential property between 1 April 2022 and 30 June 2024 were different. For more information, see our guide **Bright-line property tax – IR1227**.

Transfers of deceased estate and inherited property

The bright-line test provides an exemption for transfers of an estate following the owner's death.

The transfers from the deceased person to the executor or administrator of the estate, and from the executor or administrator to the beneficiary, are treated as taking place at the total cost of the land to the deceased person (rather than at the land's market value) at the date of transfer. The effect is no tax liabilities arise under the bright-line test for these transfers.

The subsequent sale or disposal of the inherited property by the beneficiary is also not taxable under the bright-line test.

Example

Ali bought a house as a private residence for himself in May 2022. According to Ali's will, his son Omar will inherit the property.

At the time of Ali's death, the property is transferred to the executor under Ali's will in April 2024. As part of distributing the assets, the executor transfers the property to Omar, the beneficiary in August 2024.

The transfer of the property from Ali's estate to the executor, and on to Omar (the beneficiary), is excluded from the bright-line test. This means there is no tax to pay.

Any subsequent disposal by Omar is also exempt, so if he later sells the property, there will be no tax to pay under the bright-line test.

Transfer of inherited property to a trust

The transfer of inherited residential property from the beneficiary to a family trust may qualify for rollover relief.

Example

Omar transfers the property he inherited from his father, Ali, to the Omar family trust in May 2026. Omar is the principal settlor and a beneficiary of the trust at the time of transfer. Because the transfer is made after 1 July 2024, rollover relief applies to the transfer from Omar to the family trust, meaning the exemption from the bright-line test for inherited property is rolled over to the trustees of the family trust.

If the trustees dispose of the property they will have the same tax treatment that Omar had on disposal, that is the disposal is exempt from the bright-line test and there is no tax to pay.

Non-inherited portion

If a beneficiary acquires part of a property other than by inheritance, that portion may be subject to the bright-line test when subsequently sold. This can happen if multiple people inherit a property and 1 of the beneficiaries decides to sell their share to 1 of the beneficiaries.

Example

Matt and Arun are each left a half-share in a residential rental property in Clive's will. Matt sells his half-share to Arun at market value. Arun is registered on the title on 12 April 2024 becoming the sole owner of the property. He subsequently sells the property on 13 September 2025.

The bright-line test applies to the half share purchased from Matt because the bright-line end date, 13 September 2025, is within 2 years of the bright-line start date, 12 April 2024.

Arun will need to pay tax on any profit from the sale of the half share he purchased from Matt, unless rollover relief between associated persons applies.

Relationship property agreements

Rollover relief applies to transfers of property under a relationship property agreement (between de facto partners, civil union partners, or spouses) under the Property (Relationships) Act 1976. This means there is no tax to pay under the bright-line test. However, any subsequent sale of the transferred property may be subject to the bright-line test.

If you are the recipient of the property and later sell it within 2 years from the date the property was first owned in the former relationship, you will pay income tax on any profit you make unless you qualify for the main home exclusion. For more information about the main home exclusion, see Part 2 - Exclusions.

Example

After saving for 5 years, Emily and Ash purchase their first investment property and the property's title is registered to them in May 2024. Twelve months later they separate. In May 2025 the property is transferred into Ash's name as part of their relationship property agreement. In July 2025 Ash sells the property for more than the original purchase price.

The transfer of Emily's share to Ash in May 2025 has no tax liability. However, there is a tax liability when Ash sells the property, as the sale (July 2025) is within 2 years of the bright-line start date (May 2024 when the property was first owned in the former relationship).

Example

Alex purchases a rental property and is registered on the title as the owner on 1 September 2024. On 2 May 2025, the property is transferred to Karen under a relationship property agreement. This transfer is not subject to the bright-line test because it is made under a relationship property agreement.

Karen enters into an agreement to sell the property on 1 April 2026. Since the transfer to Karen is part of a relationship property agreement, the bright-line start date is 1 September 2024 and not 2 May 2025 when it is transferred to her. The sale is taxable because the bright-line end date (1 April 2026) is within 2 years of the bright-line start date (1 September 2024).

Income is calculated using the price Karen sells the property for on 1 April 2026 with a deduction for how much Alex pays for the property on 1 September 2024.

Example

Jay and her husband Ralph purchase a rental property on 9 September 2025.

Jay and Ralph separate. As neither of them want to keep the property, they sell it to a third party on 17 March 2027.

Since the property is not transferred to either of them under a relationship property agreement, but sold to a third party, rollover relief does not apply. Instead, the bright-line test applies and the transaction is taxable as the bright-line end date (17 March 2027) is within 2 years of the bright-line start date (9 September 2025).

Example

David and his wife Susan purchase a rental property on 20 October 2022.

David and Susan decided to separate. David and Susan agree that as part of the settlement, David will pay $100,000 to Susan. David has trouble raising the funds to pay Susan. They agree to sell the rental property so David can pay Susan the $100,000 from his share of the proceeds of the sale. David and Susan sell the property to a third party under an agreement dated 24 September 2024.

Rollover relief for relationship property only applies to the transfer of property between spouses or civil union or de facto partners under a relationship property agreement. However in this case, the rental property is not transferred to one of them under a relationship property agreement but is sold to another party. Therefore rollover relief does not apply.

The sale of the property is taxable under the bright-line test because the bright-line end date (24 September 2024) is within 2 years of the bright-line start date (20 October 2022).

Transfers between associated persons

From 1 July 2024, rollover relief applies to:

- all transfers between persons that are associated, provided they have been associated for at least 2 years before the transfer date
- a transfer to a trustee of a trust in which all beneficiaries are persons that are associated with the transferor and have been for at least 2 years before the transfer date, or charities. In this case, the 2-year requirement does not apply to infants that are less than 2 years old and persons that are associated due to a recent marriage, civil union, de facto relationship or adoption.

Note

Rollover relief can only be claimed for a property under the associated persons rules once in any 2-year period from the date of the first transfer.

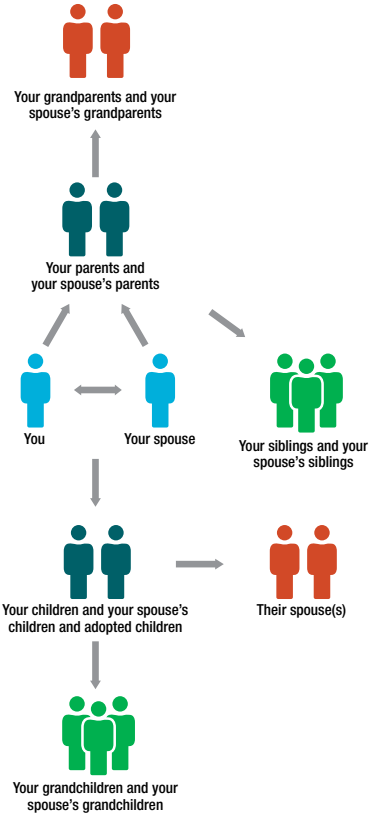
Transfers between associated persons include:

- companies with 50% or more common ownership
- a company and a person other than a company if the person has a 25% or more voting interest in the company
- 2 relatives within 2 degrees of blood relationship (see next page)
- a person and a trustee of a trust if a relative of the person is a beneficiary of the trust
- a trustee of a trust and a person who has benefited or is eligible to benefit under the trust
- a trustee of a trust and a trustee of another trust if the same person is a settlor of both trusts
- a trustee of a trust and a settlor of the trust
- a settlor of a trust and a person who has benefited or is eligible to benefit under the trust
- a trustee of a trust and a person who has a power of appointment or removal of the trustee
- a partnership and a partner in the partnership
- a look-through company and a person who has a look-through interest for the look-through company and who is a director or employee for the look-through company
- a limited partnership and a person other than a limited partnership if the person has a 25% or more partnership share in the limited partnership.

The bright-line test uses the non-land rules for associated persons. For further information, go to **A guide to associated persons definitions for income tax purposes – IR620**.

Associating 2 relatives

The following flowchart shows 2 degrees of relationship for relatives.



A person is an associated family member if:

- **Blood relationship** – the other person is their parent, grandparent, child, grandchild or sibling
- **Marriage** – the other person is their spouse, civil union partner, or de facto partner
- **In-laws** – the other person is their spouse, civil union partner, de facto partners parents, grandparents, children, grandchildren, or siblings
- **Adoption** – a child by adoption is treated as the natural child of the adoptive parents.

This does not apply if the person cannot be reasonably expected to know that the other person exists.

Example – Transfer from a parent to a child (relatives within 2 degrees of blood relationship)

Kai owns a property with a bright-line start date of 7 July 2024. The cost of the property is $850,000. Kai rents out the property for 6 months then decides to transfer the property to her daughter, Anji on 10 January 2025. Anji moves in on 15 January 2025 just before starting a new job. Kai is associated to Anji under 2 degrees of blood relationship and the transfer of property qualifies for rollover relief. Kia is treated as transferring the property for its cost ($850,000) and no tax consequences arise for her under the bright-line test.

Anji is treated as purchasing the property on 7 July 2024 for $850,000.

Fact variation:

If Kai transferred the property to her nephew or niece, rollover relief would not apply because they are not associated family members.

Example – Transfer from a parent to a child and their spouse (relatives within 2 degrees of blood relationship)

Isla buys a property for $850,000 with a bright-line start date of 21 February 2020.

On 21 September 2024, Isla decides to sell the property to her daughter, Heidi and son-in-law, Ezra at market value for $1,200,000. Heidi and Ezra were married on 2 January 2024 and lived together in a de facto relationship for 20 months prior.

On 21 September 2024 the agreement for sale and purchase is entered into and the transfer is completed. Isla's bright-line end date is 21 September 2024.

The bright-line test does not apply to Isla, as her bright-line end date is not within 2 years of her bright-line start date. Isla has no tax to pay.

Rollover relief applies to the transfer of property from Isla to Heidi. They're considered associated persons (2 relatives within 2 degrees of blood relationship) at the date of transfer and have been associated for more than 2 years before that.

Rollover relief applies to the transfer of property from Isla to Ezra. They're considered associated persons under 2 degrees of blood relationship, because Isla is associated to Heidi (parent and child) and Heidi is associated to Ezra through marriage and their prior de facto relationship.

Heidi and Ezra are each treated as acquiring a half share in the property for an amount equal to half of Isla's cost ($425,000 each). Their bright-line start date is 21 February 2020 (Isla's bright-line start date).

Transfer of property from individual (trustee, settlor and beneficiary) to family trust

Where a property is transferred from an individual who is associated to a trust, the trust is treated as having purchased the property on the earliest day that the property was transferred to the trust and at cost. The bright-line clock will not restart for the trust.

Example

Jocelyn owns a property with a bright-line start date of 4 June 2024. The property cost $750,000. In December 2024, Jocelyn is advised by her lawyer to transfer the property to her family trust, which she does. She has been a settlor, trustee and beneficiary of the family trust since it was established in 2020. As a settlor and beneficiary of the family trust, Jocelyn is associated with the family trust and has been associated with it for more than 2 years.

The transfer of property to the family trust qualifies for rollover relief. Jocelyn is treated as having transferred the property to the family trust for its cost ($750,000) and no tax liability arises for her under the bright-line test.

The family trust is treated as having purchased the property on 4 June 2024 for $750,000.

Fact variation:

Following the transfer from Jocelyn above, in June 2025 the trustees of the trust resolve to transfer the property to Jocelyn's sister, who plans to renovate and sell it. Jocelyn's sister has also been a beneficiary of the trust since it was established. As a beneficiary of the family trust, Jocelyn's sister is associated with the family trust and has been associated with the trust for more than 2 years. However, because the property has been transferred in a transaction that was subject to rollover relief within the last 2 years, the associated person rollover relief cannot be used again. This transfer is subject to the bright-line test.

Transfers to or from look-through companies (LTCs)

Rollover relief applies to transfers between LTCs and a person who has a look-through interest for the LTC and who is a director or employee for the LTC.

Example

Eddie purchases a property with a bright-line start date of 2 June 2024 for $1,000,000 and lives in the property for 18 months as his main home. Eddie decides to transfer the property to Baxter Limited (LTC) on 2 December 2025 to rent out as part of its holiday accommodation business. Eddie has owned a 100% interest in Baxter Limited since 1 April 2022.

Eddie transfers the property at the same price he paid for it ($1,000,000).

Rollover relief applies because Eddie and Baxter Limited are associated at the date of the transfer and have been associated for at least 2 years prior to the transfer date.

Fact variation:

If Baxter Limited sells the property on 13 March 2026, the bright-line test will apply because the bright-line end date (13 March 2026) will be within 2 years of the bright-line start date (2 June 2024). However, the main home exclusion will apply because Eddie lived in the property for more than 50% of the bright-line period (18 months from 2 June 2024 until 13 March 2026).

For more information on Look-through companies, go to taxtechnical.ird.govt.nz and refer to **Interpretation Statement: (IS) 25/15: Look-through companies and disposal of residential land under the bright-line test**

Transfers to a trustee of a trust

Rollover relief applies to transfers to a trustee of a trust in which all beneficiaries are persons that are associated with the transferor and have been for at least 2 years before the transfer date, or charities. The 2-year requirement does not apply to infants that are less than 2 years old and persons that are associated due to a recent marriage, civil union, de facto relationship or adoption.

Example

Chris buys a property for $600,000 with a bright-line start date of 15 February 2022.

Chris transfers the property to the Manaia Trust on 1 October 2024. The sole beneficiary of the trust is Manaia, Chris's partner. Chris and Manaia have lived together in a de facto relationship since 1 June 2023.

The transfer of property to the trust qualifies for rollover relief. Chris (the transferor) and Manaia (the beneficiary) are considered associated persons as they are in a de facto relationship. They do not need to have been associated for at least 2 years before the transfer date because the association is due to a recent de facto relationship.

Chris is treated as having transferred the property to the trust for its cost ($600,000) and no tax liability arises under the bright-line test. The trust is treated as having purchased the property on 15 February 2022 for $600,000.

Attributing main home usage

If rollover relief applies, any period of time a property is used as a main home by the original owner is also attributed to you and can be taken into account when you sell the property. This means the usage is attributed and there is no tax to pay at the time of the transfer if the main home exclusion applies.

For information about the main home exclusion, see Part 2 - Exclusions.

Example

Hamish and Jess buy their first family home in July 2024 and settled the property on the HJ Family Trust. They lived in the property for 12 months and then transfer it to another trust, H & J Family Trust, which they are also settlors of. H & J Family Trust rents out the property and after 6 months the property is sold.

The 12-month period that Hamish and Jess live in the property is attributed to H & J Family Trust. The main home exclusion applies because the property is lived in for more than 50% of the bright-line period (12 out of the 18 months).

For more information on rollover relief go to taxtechnical.ird.govt.nz and refer to **Question we've been asked (QB) 25/15: How do the bright-line rollover relief provisions apply to transfers of residential land between associated persons?** and **Tax Information Bulletin (TIB), Vol 36, No 4 (May 2024)** pages 18 to 20.

Certain transfers of residential land subject to Te Ture Whenua Māori Act 1993 to or from a trust

Rollover relief applies to transfers of residential land subject to Te Ture Whenua Māori Act 1993 to a trust provided that:

- the trust is either a Māori authority, or is eligible to elect to be a Māori authority, because it receives and manages on behalf of Māori claimants, assets that are transferred by the Crown as part of a settlement of a claim under Te Tiriti o Waitangi
- all relevant transfers to the trust are made by people who are beneficiaries of the trust, and
- all beneficiaries of the trust are either members of the same iwi or hapū, or descendants of the same tipuna (living or dead).

If these requirements are satisfied, the receiving trustee's bright-line start date for the land is the same as that of the person who transferred the property (and not the date of the transfer).

The transfer is treated as a disposal and acquisition, at the date of transfer, for an amount that equals the greater of the cost of the residential land to the transferor (the original owner) or the consideration paid by the transferee (the recipient).

Example – Transfer from trustee of Māori family to a trust eligible to be a Māori authority

Rewi and several family members own interests in a large parcel of land in Pukemoremore, subject to Te Ture Whenua Māori Act 1993. All the family members are descendants of Rewi's late great-great-grandfather. Several townhouses are built on the land, and all of these are rented out to tenants.

Rewi and his relatives decide to sell their interests in the land to a family trust that is settled by Rewi for the benefit of all surviving descendants of the great-great grandfather. The new family trust is eligible to be a Māori authority and elects to do so. The transfer of property to the new family trust is equal to the amount paid by Rewi even though the market value is higher.

Rollover relief applies to the transfer of property to the new family trust. In this case, Rewi is the settlor of both trusts, and the beneficiaries of the new family trust are all descendants of the same tipuna. This means the property transfer is not subject to the bright-line test. The trustee is treated as disposing of the land at cost.

There are 4 categories of property transfer that may qualify for rollover relief.

- Transfers by settlors of a Māori family trust to the trustees.
- Transfers back to the settlors who first transferred the property to the Māori family trust.
- Resettlement transactions, where the trustees of a Māori family trust resettle the property on a new, related trust.
- Transfers to certain trusts if the land is part of the settlement of a claim under Te Tiriti o Waitangi.

Transfers to Māori family trust

You can get rollover relief for transfers of residential land if the land is covered by Te Ture Whenua Māori Act 1993, and all the following apply:

- the trustee of the trust is either a Māori authority, or is eligible to be a Māori authority
- all relevant transfers to the trust are made by people who are both settlors and beneficiaries of the trust
- all beneficiaries of the trust are members of the same iwi or hapū, or descendants of the same tipuna (living or dead).

Transfers from Māori family trust back to settlors

You can get rollover relief for a transfer of residential land back to the settlor (or settlors) who originally transferred the property to the trust if all the following apply:

- the trustee of the trust is either a Māori authority, or is eligible to elect to be a Māori authority
- in addition to being settlors, the recipients are also beneficiaries of the trust
- all beneficiaries of the trust are either members of the same iwi or hapū or descendants of the same tipuna
- the land is subject to Te Ture Whenua Māori Act 1993
- the recipients get proportionally the same amount of land they had originally transferred to the trustees.

Example

Before 2010 Aroha and several members of her extended whānau, who are all members of the same iwi, hold interests in a parcel of land in Kaitaia subject to Te Ture Whenua Māori Act 1993. On 15 August 2010, Aroha and members of her family sell their interests in the land to a trust that is settled by Aroha and her brother, Tane, for $5 million. At this time, Aroha, Tane and the rest of the whānau holding interests in the land are beneficiaries of the trust and still are.

On 28 May 2025, the trustees of the trust sell the interests in the land back to the members of the whānau for $5 million, being the same amount the trustees had originally paid for the land. The market value of the land at this time is $10 million.

In this case rollover relief applies. The whānau who purchase their interests back have a bright-line start date of 15 August 2010, being the date the land is originally transferred to the trustees of the trust at the cost of $5 million. The bright-line clock is not reset for Aroha, Tane and their whānau who repurchase their interests in May 2025. A future disposal by the interest holders will not be subject to the bright-line test because their bright-line start date is 15 August 2010.

Resettlements of Māori family trust

Rollover relief is available for a transfer of residential land held by trustees of a trust (trust B) that is either a Māori authority, or is eligible to elect to be a Māori authority, resettled to another eligible trust (trust A).

This applies if at the time of the land transfer from trust B to trust A, all the following apply:

- the beneficiaries of trust B are the same as for trust A
- all beneficiaries of each trust are either members of the same iwi or hapū or descendants of the same tipuna
- the land is subject to Te Ture Whenua Māori Act 1993.

If the above requirements are met, a person holding residential land as trustee of trust A, where land was transferred to them from trust B, has the same bright-line start date for the land that trust B had.

Land transferred as part of a settlement under Te Tiriti o Waitangi

If you are transferred residential land on or after 1 April 2022 as part of a settlement of a claim under Te Tiriti o Waitangi, you may qualify for rollover relief.

Settlements of claims under Te Tiriti o Waitangi can be a multi-stage process. The Crown will generally transfer Tiriti settlement property to a single governance entity known as post-settlement governance entity (PSGE). This entity may act on behalf of several groups, for example, different hapū, or as a collective for a number of iwi groups. The PSGE will then transfer settlement assets to different members of the claimant group under the deed of settlement or settlement legislation.

Rollover relief is provided when residential land is transferred if the land is:

- subject to Te Ture Whenua Māori Act 1993,
- part of the settlement of a claim under Te Tiriti o Waitangi, and
- transferred to a trustee of a trust that is a Māori authority, or is eligible to be a Māori authority, under section HF 2(3)(e)(i) (that is, on behalf of Māori claimants, the trustee receives and manages assets that are transferred by the Crown as part of the settlement of a claim under Te Tiriti o Waitangi).

This provides rollover relief for the transfer of Treaty settlement residential land from the PSGE to a member of the claimant group, for example, hapū.

If the above requirements are met, the recipient trustee has, for the purposes of the bright-line test, acquired the land for its market value at the time the Crown transferred the land.

At the exact time of the Treaty settlement, it may not be possible to work out the market value of the land. In this case, a reasonable estimate shortly after settlement (for example, determined for insurance purposes) is acceptable.

The Crown is treated as transferring the land at the greater of the cost of the land to them or the amount they received from the disposal.

Part 4 - Co-ownership

Sometimes people pool resources to purchase land, becoming co-owners.

When there is a change to the shares that co-owners have in residential property, or when a co-owner is added or removed, the disposal of the share that changes hands may come under the bright-line test.

The start of the bright-line period should reset only for the ownership share that has changed hands.

Joint tenancy to tenancy in common (and vice versa)

Where you change from joint tenancy to tenancy in common with no change to the proportion of the shares held, the bright-line period start date does not reset when the title is transferred.

This also applies if the change is from tenancy in common to joint tenancy.

Example

Tony and Michael buy a rental property in August 2024 and are registered on the title as joint tenants. Later, they decide if 1 of them dies, they want the share of the partner who dies to go to that partner's children. In June 2025, the title is transferred to change their ownership of the property from a joint tenancy to a tenancy in common (50:50).

For the bright-line test to apply, there must be a disposal of residential land by either Tony, Michael, or both. They are not treated as having disposed of land for the purposes of the bright-line test. Tony and Michael own the same land (the estate in fee simple) before and after the transfer.

Before the transfer, they each have an interest in the entire property and an equal 50% separate share. After the transfer, they each still have an interest in the entire property, and they each now have a 50% share.

The start date is not reset in June 2025 when the title is transferred to change the form of co-ownership of the property.

If Tony and Michael dispose of the property in the future, the bright-line period starts in August 2024 when the property's title was first registered to them.

Acquiring and removing shares

If you own part of a residential property and then acquire an additional share in the same property, you will have different bright-line start dates for those respective shares in the property.

The bright-line period starts from the date each increase in share takes place.

Example

Hina and Andy enter into a binding agreement to buy a rental property as tenants in common on 30 June 2023. Hina owns 50% and Andy owns 50%. Settlement is on 31 July 2023. Hina sells her shares to Andy on 31 August 2024 at market value. The title is transferred to Andy who now owns 100% of the property.

For the purposes of the bright-line Hina has disposed of her 50% interest in the land. This disposal is income under the bright-line test because the bright-line end date (31 August 2024) is within 2 years of the bright-line start date (31 July 2023). Hina can deduct the amount she paid for her share of the property.

If Andy then sells the rental property, the bright-line test will apply as follows:

- 50% share purchased on 31 July 2023, taxable if sold before 31 July 2025
- 50% share purchased on 31 August 2024, taxable if sold before 31 August 2026.

Example

Alisha and Hans buy a rental property as tenants in common and are registered on the property's title in July 2024. Alisha and Hans own a 50% share each. Alisha's financial position changes in 2024. She asks Hans if he is interested in buying out part of her share of the property. He is keen to do this, so he buys half of Alisha's 50% interest at market value.

LINZ registers the transfer in December 2024 to show the land is now held 25% by Alisha, and 75% by Hans. This means for the purposes of the bright-line test, Alisha has disposed of a 25% interest in the land. Alisha's 25% interest sold to Hans is income to Alisha under the bright-line test since the bright-line end date (December 2024) is within 2 years of the bright-line start date (July 2024).

Alisha can deduct half the amount she paid for her original 50% share of the property, because she has sold 25% of her original share.

The bright-line clock does not restart for Hans in December 2024 in relation to his original 50% share and nor does it restart for Alisha in relation to her 25% share she has retained. However, the bright-line clock does restart for the 25% share transferred by Alisha to Hans, with Hans having a December 2024 bright-line start date in relation to that 25% share.

For more information about co-ownership changes, go to **taxtechnical.ird.govt.nz** and refer to **Interpretation Statement (IS) 22/03: Application of the land sales rule to co-ownership changes and changes of trustees** and **Interpretation Statement (IS) 22/03 Fact sheet: The land sale rules and changes to co-ownership**.

Subdividing co-owned land

When co-owners subdivide land and keep a part each, each co-owner goes from owning a share in the whole of the undivided land to being the sole owner of the part of the land they receive. This is known as partitioning. While the share of the divided land you receive may match the share you held as co-owner, you are considered to have disposed of your share in the part you did not keep to the other co-owner. The disposal may be exempt income, meaning the bright-line test will not apply.

When a disposal is exempt income

The amount that you receive from disposing of land to another co-owner is exempt income if the value of the land you receive, out of the total value of the land still held by the co-owners, is 95% or more of your contribution to the cost of the undivided land as a proportion of the total cost. Land held by co-owners includes land held alone, jointly or in common with another person. Your contribution to the cost of the land includes subdivision, development and building costs.

When a disposal is partially exempt income

If the value of the land you receive, out of the total value of the land still held by the co-owners, is less than 95% of your contribution to the cost of the land as a proportion of the total cost, the amount of income that is exempt is calculated by the formula:

Amount derived – (total land value x (acquisition proportion – end value proportion))

Amount derived is the amount you receive from disposing of your interest in the land to another co-owner on a partition or subdivision.

Total land value is the total value of the land held by all persons who were co-owners at the end of the partition or subdivision. It includes land that the co-owner holds jointly with another person.

Acquisition proportion is your contribution to the cost of the land as a proportion of the total cost. It includes all costs to subdivide, develop, and build on the land.

End value proportion is the total value of the land you receive on the completion of the partition or subdivision out of the total land value. As above, it includes land that the co-owner holds jointly with another person.

Example

Amy and Bill purchase land together (50:50 share) for $1 million. They build 2 townhouses on the land at a cost of $800,000:

- Amy contributes $420,000 (townhouse is slightly larger)
- Bill contributes $380,000
- Total cost is $1 million (land) + $800,000 (build) = **$1.8 million**

The land is subdivided, and each receives a townhouse:

- Amy's townhouse is valued at $1.1 million
- Bill's townhouse is valued at $1 million
- Total land value is **$2.1 million**

Amy's share of the total land value:

- Amy's share is $1.1 million / $2.1 million = **52.38%**

Amy's contribution to the land and building costs:

- Amy's total contribution is $500,000 (land) + $420,000 (build) = **$920,000**
- Amy's proportion of the cost is $920,000 / $1.8 million = **51.11%**
- 95% of Amy's proportion of the cost is 95% x 51.11% = **48.56%**

The proportion of the value of land Amy receives (52.38%) is more than 95% of her proportion of the cost (48.56%). Any income Amy derives from disposing of land to Bill is exempt income and the bright-line test does not apply.

Bill's share of the total land value:

- Bill's share is $1 million / $2.1 million = **47.62%**

Bill's contribution to the land and building costs:

- Bill's total contribution is $500,000 (land) + $380,000 (build) = **$880,000**
- Bill's proportion of the cost is $880,000 / $1.8 million = **48.89%**
- 95% of Bill's proportion of the cost is 95% x 48.89% = **46.44%**

The proportion of the value of land Bill receives (47.62%) is more than 95% of his proportion of the cost (46.44%). Any income Bill derives from disposing of land to Amy is exempt income and the bright-line test does not apply.

For more information and examples see our **Tax Information Bulletin (TIB), Vol 36, No 4 (May 2024)** pages 96 to 100.

Part 5 - Deductions

The cost of the property

If you sell a property subject to the bright-line test, you can claim a deduction at the time of sale for the cost of the property. However, you cannot include anything you have already claimed a deduction for, for example if you were able to claim a deduction related to buying the property in the year you purchased it.

The cost of the property includes:

- the amount you paid to buy the property (the initial purchase price of the property)
- expenditure related to the purchase, for example lawyers, valuers, surveyors and real estate agents fees
- any capital improvements made to the property after buying it, for example renovations
- expenditure related to the disposal, for example lawyers and real estate agent fees.

You must keep records to support your claim for a deduction for the cost of the property. Examples include:

- signed copy of the agreements for sale and purchase when the property was first purchased, and the on sale of the property.
- settlement statements issued for both the purchase and the sale of the property.
- evidence of other costs incurred on the purchase and on sale, for example invoices for lawyers, valuers, surveyors or real estate agents fees.
- documents supporting any capital improvements to the property made after acquisition such as renovations, for example evidence of resource consent fees, architectural fees, engineers fees, invoices for labour and building materials.

Holding costs

During the period you own the property, you may incur periodic non-capital costs related to holding the property. These are holding costs and include things such as expenses for interest, insurance, rates and repairs and maintenance.

Where holding costs are deductible, this must generally be done in the income year they are incurred. In the year of sale for rental properties, holding costs may have already been claimed in your income tax return against rental income. You must make sure you do not double claim these expenses.

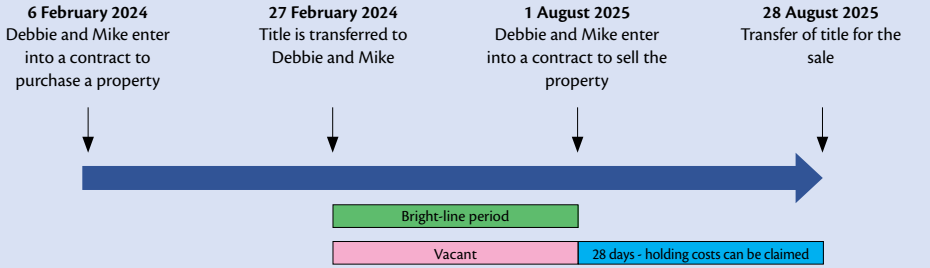
To deduct holding costs, the expenses must satisfy the deduction rules. Personal expenses are not deductible.

For example, if the property is used for rental, and not for private purposes, the expenses are likely to be deductible. This is because there is a direct connection between holding costs and the rental income.

When a property sale is taxable under the bright-line test and if that property has not been used to earn income during the year, then holding costs are not deductible because there is no connection between the costs and the taxable sale.

For there to be a connection to the holding costs, expenditure must be in relation to the sale of the property when it is certain to be taxable under the bright-line test. Generally, this will be when you sell the property and enter into a binding sale and purchase agreement. Any interest expenditure prior to the date of the agreement to sell the property is not deductible.

Example – Property is vacant, then lived in for a short period of time



On 6 February 2024, Debbie and Mike enter into an agreement to purchase a property for $800,000 and the title is transferred on 27 February 2024. Debbie and Mike's expenses per week are:

- Interest payments on the mortgage $400. This is the interest only, not the capital repayments.
- Rates $50.
- Insurance $50.

In September 2024, Debbie and Mike spend $20,000 adding a new deck to the property and in November 2024 repairs are made to the fence for $1,000.

The property is vacant during the bright-line period. On 1 August 2025, they enter into an agreement to sell the property for $1,000,000. Title is transferred to the new owner on 28 August 2025.

The property is taxable under the bright-line test because it is sold after 1 July 2024 and the bright-line end date (1 August 2025) is within 2 years of the bright-line start date (27 February 2024).

The property is not used to earn income and there is no connection to the holding costs until 1 August 2025, which is the date they sign the agreement to sell the property. This means from the date they committed to sell until the date of settlement, the holding costs are deductible as there is a connection to the sale of the property.

The following is used to calculate the income and expenses:

- **Sale price** is $1,000,000 (the amount Debbie and Mike sold the property for).
- **Cost** is $800,000.
- **Repairs and maintenance** is $0. The $1,000 fence repair in November 2024 is before 1 August 2025 when the agreement is entered into to sell the property.

- **Interest** is $1,600. From 1 August 2025 to 28 August 2025 is 4 weeks in which the holding costs can be claimed ($400 x 4 = $1,600).
- **Rates and property insurance** is $400. From 1 August 2025 to 28 August 2025 is 4 weeks in which the holding costs can be claimed ($100 x 4 = $400).
- **Capital improvements** is $20,0000 (the spend on the new deck).

For information on when repairs and maintenance can be deducted, go to taxtechnical.ird.govt.nz and refer to **Interpretation Statement (IS) 12/03: Income Tax – Deductibility of repairs and maintenance expenditure – General principles**.

For more information on holding costs for land, refer to **Interpretation Statement: (IS) 23/10: Deductibility of holding costs for land**.

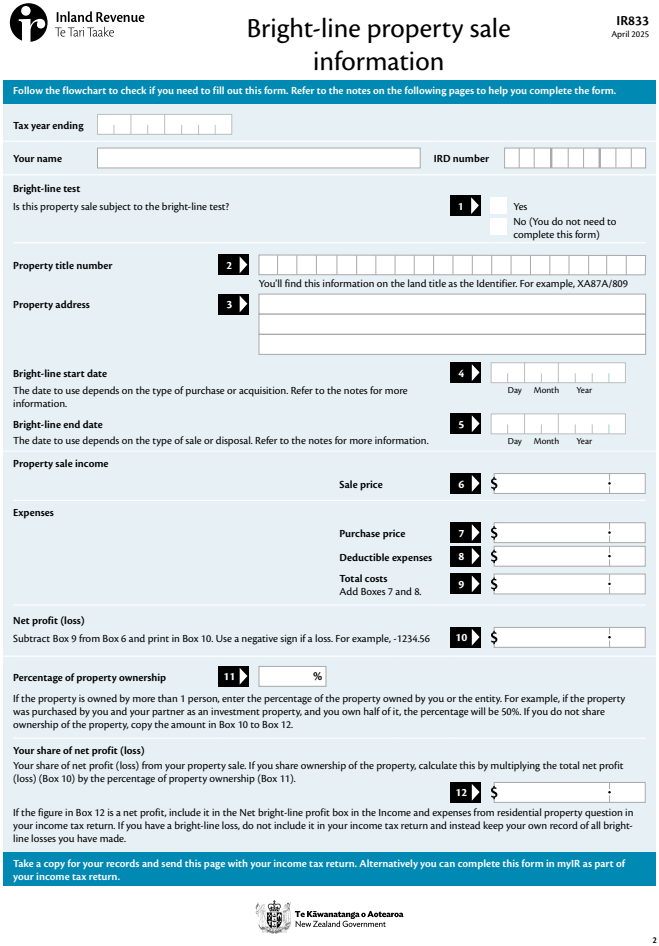
Depreciation

If you have claimed depreciation on any asset and sell the asset for more than its adjusted tax value, you'll have to include the difference between the sale price and the adjusted tax value in your taxable income.

Part 6 - Filing your income tax return

Before you can file your income tax return, you need to complete a **Bright-line property sale information – IR833** form for each residential property you have sold or disposed of that is taxable under the bright-line test.

This can be completed during the income year or can be completed at the end of the income year and attached to your income tax return. The IR833 form can be found at ird.govt.nz/forms-guides



Inland Revenue
Te Tari Taake

Bright-line property sale information

IR833
April 2025

Follow the flowchart to check if you need to fill out this form. Refer to the notes on the following pages to help you complete the form.

Tax year ending

Your name **IRD number**

Bright-line test

Is this property sale subject to the bright-line test? **1** Yes / No (You do not need to complete this form)

Property title number **2**

You'll find this information on the land title as the Identifier. For example, XA87A/809

Property address **3**

Bright-line start date **4** Day Month Year

The date to use depends on the type of purchase or acquisition. Refer to the notes for more information.

Bright-line end date **5** Day Month Year

The date to use depends on the type of sale or disposal. Refer to the notes for more information.

Property sale income

Sale price **6** $

Expenses

Purchase price **7** $

Deductible expenses **8** $

Total costs
Add Boxes 7 and 8. **9** $

Net profit (loss)

Subtract Box 9 from Box 6 and print in Box 10. Use a negative sign if a loss. For example, -1234.56 **10** $

Percentage of property ownership **11** %

If the property is owned by more than 1 person, enter the percentage of the property owned by you or the entity. For example, if the property was purchased by you and your partner as an investment property, and you own half of it, the percentage will be 50%. If you do not share ownership of the property, copy the amount in Box 10 to Box 12.

Your share of net profit (loss)

Your share of net profit (loss) from your property sale. If you share ownership of the property, calculate this by multiplying the total net profit (loss) (Box 10) by the percentage of property ownership (Box 11).

12 $

If the figure in Box 12 is a net profit, include it in the Net bright-line profit box in the Income and expenses from residential property question in your income tax return. If you have a bright-line loss, do not include it in your income tax return and instead keep your own record of all bright-line losses you have made.

Take a copy for your records and send this page with your income tax return. Alternatively you can complete this form in myIR as part of your income tax return.

Te Kāwanatanga o Aotearoa
New Zealand Government

2

Note

If you are filing your income tax return using myIR, the net profit amount in the IR833 will not pre-populate into your income tax return. You must add this manually by ticking the 'Income and expenses from residential property' income type on the 'Build your return' page and include your share of the net profit in the 'Net bright-line profit' box.

Completing your income tax return

Include your share of the net profit from the sale of a residential property taxable under the bright-line test in your income tax return. Usually, the date of settlement will determine the income year the income should be included.

If you have a bright-line loss, do not include it in your income tax return and instead keep your own record of all your bright-line losses. The loss must be carried forward to a later income year where it can be used to offset income from other taxable land sales, including bright-line.

Claiming a bright-line loss

You can only claim the bright-line loss on the sale of a residential property you owned against profits made on other:

- bright-line property sales, or
- land sales taxable under the land taxing rules.

You cannot offset a bright-line loss against your other income, such as salary and wages, rental, or business income.

This also applies to bright-line losses for properties owned by a trust. Losses cannot be distributed to beneficiaries of the trust.

Limiting bright-line losses claimed

The loss amount you can claim in an income year is limited to the amount of bright-line and other land sale income you have in the same income year.

Note

Land sale income is the profit made from taxable land sales in an income year.

If you cannot claim the full loss in the income year of sale, the balance is carried forward to future years where it may be claimed against other taxable land sales, including bright-line.

For information about how to complete your income tax return, including how to record a loss, see above.

Carrying forward bright-line losses for a company

A bright-line loss from the sale of a property owned by a company cannot be carried forward to a future year if the continuity test is not satisfied.

For more information about the ownership continuity test, see taxtechnical.ird.govt.nz and refer to **Interpretation Statement (IS) 22/07: Company losses – ownership continuity, sharing and measurement**, page 13.

Example

In August 2024 Zac sells residential land taxable under the bright-line test. Zac acquired the land for $600,000 and sells it for $540,000. For the 2025 income year, Zac also earned an $80,000 salary.

The $60,000 loss for the sale of residential land is ring-fenced and can only be used to offset income from other land sales. Zac cannot use the $60,000 loss to offset his salary income.

In July 2025 Zac sells land he purchased with an intention to resell (so the sale is taxable). Zac makes a profit of $100,000 from this sale. Zac can offset the previous $60,000 bright-line loss against the $100,000 profit. As a result, Zac only pays tax on $40,000 of the profit in the 2026 income year.

Note

To address the risk of people using land-rich companies and trusts to circumvent the bright-line test, specific anti-avoidance rules apply. For more detail about these rules, see **Tax Information Bulletin (TIB), Vol 28, No 1 (February 2016)** page 89.

Residential land withholding tax (RLWT)

If you're an offshore RLWT person you may have RLWT deducted from the sale or disposal of your residential property.

You're an offshore RLWT person when you're an individual and any of the following apply:

- You're a New Zealand citizen and you've been overseas for the last 3 or more years continuously (and you are not currently in New Zealand).
- You have a permanent resident visa or a resident visa granted by Immigration New Zealand and have been overseas for the last 12 or more months continuously (and you are not currently in New Zealand).
- You're not a New Zealand citizen and you do not have a New Zealand residence class visa granted by Immigration New Zealand (you can be in or out of New Zealand).

A non-individual incorporated or registered outside New Zealand or constituted under foreign law is also an offshore RLWT person.

If you're including a taxable property sale in your income tax return, then you're entitled to claim the RLWT deducted as a tax credit, reducing your tax to pay.

For more information about RLWT, go to ird.govt.nz/rlwt

Record keeping

You need to keep all your records for at least 7 years. You do not need to send your records or working papers with your income tax return, but you must keep them in case we want to see them.

You must keep records to be able to calculate your income and expenses. These include:

- invoices and receipts
- bank statements
- working papers for all calculations
- a list of assets including cost price and purchase date
- a copy of any loan mortgage agreement.

For more information about the records you must keep to support a claim for a deduction for the cost of the property, see Part 5 - Deductions.

If you want to claim the main home exclusion, you must have records to support the claim for each year in the bright-line period.

Records must be in English or Māori, unless we've given you written authority to keep them in another language.

For more information refer to **Record keeping – Getting it right – IR955** and **Record keeping – checklist – IR1008**.

Part 7 - Services you may need

Publications

These publications contain useful information. You can get copies of our guides at ird.govt.nz/forms-guides

For **Tax Information Bulletins, Questions we've been asked** and **Interpretation Statements** go to taxtechnical.ird.govt.nz

Guides

Associated persons definitions for income tax purposes – IR620

Use this guide to work out if someone is associated to you.

Penalties and interest – IR240

A guide to help you understand the different types of penalties and interest we may charge if you do not file or pay on time. It also tells you how you can reduce or avoid penalties.

Rental income – IR264

Explains the tax rules for people who rent out residential property and holiday homes.

Provisional tax guide – IR289

Tells you what provisional tax is and how and when it must be paid.

Record Keeping – IR955 and **IR1008** Explains recording keeping requirements.

Deducting residential land withholding tax (RLWT) – IR1095

Helps you work out whether you're a withholder, if you need to deduct RLWT from a residential land sale or disposal and your obligations.

Bright-line property tax – IR1227

Explains how the bright-line test applies to residential property sold before 1 July 2024.

Tax information bulletins

Tax Information Bulletin (TIB), Vol 28, No 1 (February 2016) Pages 78 to 91

Tax Information Bulletin (TIB), Vol 33, No 6 (July 2021) Pages 13 to 27

Tax Information Bulletin (TIB), Vol 36, No 4 (May 2024) Pages 7 to 11 and 96 to 100

Tax Information Bulletin (TIB), Vol 37, No 5 (June 2025) Page 127

Questions we've been asked

Question we've been asked (QB) 25/09

When do I have a "regular pattern" of transactions that prevents me from using exclusions from the land sale rules for my residence or for my main home

Question we've been asked (QB) 25/11

When is the bright-line start date for the 2-year bright-line test?

Question we've been asked (QB) 25/12

How does the bright-line test apply to the sale of a subdivided section?

Question we've been asked (QB) 25/13

When is the sale of a lifestyle block excluded from the bright-line test?

Question we've been asked (QB) 25/14

When does the business premises exclusion to the bright-line test apply?

Question we've been asked (QB) 25/15

How do the bright-line rollover relief provisions apply to transfers of residential land between associated persons?

Question we've been asked (QB) 24/01

If a person has two or more homes, which home is their main home for the purpose of the main home exclusion to the bright-line test?

Question we've been asked (QB) 24/02

Income tax – bright-line test – main home exclusion – renting to flatmates

Interpretation Statements

Interpretation Statement (IS) 12/03

Income Tax – deductibility of repairs and maintenance expenditure – general principles

Interpretation Statement (IS) 22/03

Application of the land sales rule to co-ownership changes and changes of trustees

Interpretation Statement (IS) 22/03 Fact sheet

The land sale rules and changes to co-ownership

Interpretation Statement (IS) 22/07

Company losses – ownership continuity, sharing and measurement

Interpretation Statement (IS) 23/10

Deductibility of holding costs for land

Interpretation Statement (IS) 25/15

Look-through companies and disposal of residential land under the bright-line test

0800 self-service number

Our 0800 self-service number, 0800 257 777, is open 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

When you call, confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Need to speak with us?

Have your IRD number ready and call us on one of these numbers.

General tax, tax credits and refunds	0800 775 247
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 227 771

Find out more at ird.govt.nz/contact-us

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your tax and entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them, and
- Statistics New Zealand (for statistical purposes only).

You can ask for the personal information we hold about you. We'll give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at ird.govt.nz/privacy

Te Kāwanatanga o Aotearoa
New Zealand Government