



25 August 2022



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), received on 28 July 2022. You requested the following:

*... updated information on the number of taxpayers using each provisional tax method – I'm particularly interested in the 2021/22 year*

- *The Accounting Income Method*
- *The Standard Option*
- *The Estimation Option*
- *The Ratio Option.*

*How many provisional taxpayers:*

1. *Use a tax agent; and*
2. *Who have an extension of time*

*Safeharbour taxpayers (new request)*

*It would also be helpful to know for the 2021 year how many provisional taxpayers had RIT of less than \$60k. The related "safe harbour concept" is an important distinction under the standard option and it would be useful in my training to say something like "200,000 taxpayers are eligible to use the safe harbour rules."*

Please see the table below for the number of taxpayers using each type of provisional method for the 2021-22 tax year.

Provisional Tax Method	Number of Taxpayers	%
Standard Option	319,256	85.42%
Estimation Option	50,328	13.47%
Accounting Income Method (AIM)	2,794	0.75%
Ratio Option	1,353	0.36%
<b>Total</b>	<b>373,731</b>	<b>100%</b>

The table below shows how many of the above taxpayers have an extension of time and how many use a tax agent.

Provisional Taxpayers	Number of Taxpayers	%
With an Extension of time	335,916	90%
Use a tax agent	342,255	92%

In the 2021 tax year approximately 290,000 provisional taxpayers had residual income tax of less than \$60,000

### **Publishing of OIA response**

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest

so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you again for your request.

Yours sincerely



Estelle Le Lievre

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