

18 August 2026

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 21 July 2026. You requested the following:

... how many times since 1st April 2009 (a) the Government(s) asked for or (b) the IRD or any Government Agency or Department or tax payer paid consultant or advisory group asked for, whether the GST threshold should be to be increased or not and the implications

Increasing the GST registration threshold

Inland Revenue has not kept a record of how many times since 1 April 2009 the question has been asked about whether the GST threshold should be increased or not and the implications. Therefore, your request for this specific information is refused under section 18(g) of the OIA, as the information requested is not held, and I do not believe the information is held by any other Department of Minister. However, in the spirit of the OIA we have instead provided relevant advisory documents, attached as **Appendix A**, prepared by Inland Revenue since 2009 on increasing the GST registration threshold.

Some information in the documents has been withheld under section 9(2)(a) of the OIA, as the withholding of the information is necessary to protect the privacy of natural persons.

As required by section 9(1) of the OIA, I have considered whether the grounds for withholding the information requested is outweighed by the public interest. In this instance, I do not consider that to be the case.

Please find enclosed the following documents:

Item	Date	Document	Decision
1.	23/07/2026	BN2026/222: Briefing for Minister of Revenue meeting with James Fuller	Partially released
2.	10/06/2025	BN2025/275: Advice on threshold changes	Partially released
3.	12/05/2020	Inland Revenue response to FEC – Murray petition regarding GST registration threshold	Partially released

Item	Date	Document	Decision
4.	08/06/2015	IR2015/266: Response to request for official information from <i>[withheld under 9(2)(a)]</i> of the office of Jacinda Ardern MP: GST registration threshold	Partially released

Information outside scope

The enclosed documents contain information that is outside the scope of your request. This information has not been considered for release and has been withheld as 'not in scope'.

Information publicly available

You may also be interested in the following related documents, which are publicly available:

Item	Date	Document	Website address
1.	21/01/2026	Proactive Release: GST registration threshold background information	web-assets.education.govt.nz/s3fs-public/2026-04/A1%201355033%20GST%20registration%20threshold%20background%20information%20%282%29.pdf?VersionId=8tBHyDKtdKQoAvo0J28nVe2rNePMwRUy
2.	27/07/2024	Ministerial Response to the referral of the Petition of Alisha Riley on Increase the GST threshold	bills.parliament.nz/v/4/afc0c2c3-4ead-4528-cf38-08dc7eae9552?lang=en
3.	03/07/2024	Information release - Ministerial Response to the Petition of Alisha Riley on Increase the GST threshold	taxpolicy.ird.govt.nz/publications/2024/leg-24-sub-0108
4.	18/08/2023	Report of the Petitions Committee: Petition of Kirstin Murray: Raise GST threshold to \$75,000	selectcommittees.parliament.nz/v/SelectCommitteeReport/076db19a-f6c7-47ab-c5d2-08db9f7fdd31?lang=en

Item	Date	Document	Website address
5.	26/05/2023	Inland Revenue response to Petitions Committee for petition of Kirstin Murray	parliament.nz/resource/en-NZ/53SCPET_EVI_2cf7c447-a60a-4512-7d7b-08db4aa4c988_PET4246/01d1390bafbb82d5a6d44f57265f0c4cb46a6499
6.	03/08/2020	Report of the FEC: Petition of Kirstin Murray: Raise the GST registration threshold to \$75,000	petitions.parliament.nz/a774732a-cb3b-4c47-8d1b-773b7edfd2da?lang=en

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Graeme Morrison
Policy Lead, Indirect Tax

Briefing note

Reference BN2026/222

Date 23/07/2026

To Revenue Advisor, Minister of Revenue – Angela Graham
Private Secretary, Minister of Revenue – Melissa Zhen

From Bary Hollow and Eleana Hill

Subject **Briefing for Minister of Revenue meeting with James Fuller from Hnry**

Purpose

- 1 The purpose of this briefing note is to give the Minister some background for his meeting with James Fuller the CEO of Hnry.

Not in scope



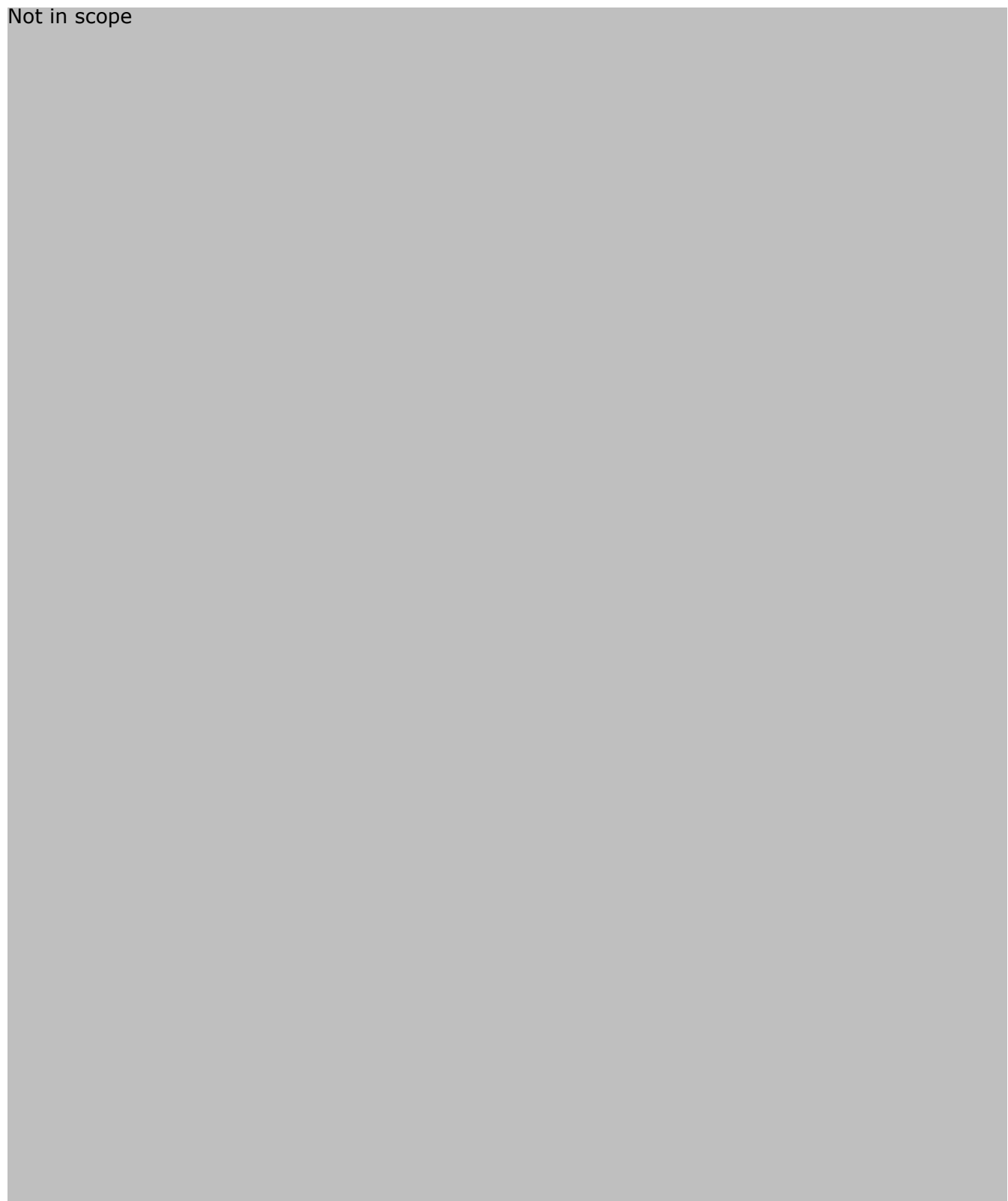
Not in scope



Items for discussion

Mr Fuller has raised the following topics for discussion with you:

Not in scope



Impact of the current GST threshold

- 16 Hnry has previously argued that the GST registration threshold (currently turnover exceeding \$60,000 per annum) has not kept pace with inflation and can disproportionately affect sole traders and labour-intensive businesses with relatively low costs².

The GST registration threshold is intended to balance compliance costs against maintaining a broad GST base

- 17 In principle, a lower threshold supports a broader GST base, protects revenue and reduces incentives for businesses to organise their affairs around the registration threshold.
- 18 The registration threshold exists because GST compliance and administration costs are not zero. However, modern digital tools, electronic filing and accounting software have reduced many of the compliance costs that existed when GST was introduced.
- 19 Increasing the threshold would reduce compliance costs for some businesses, but it would also move more businesses outside the GST system, narrow the GST base and reduce GST revenue.
- 20 Any registration threshold creates a boundary between businesses that must register and those that do not. Raising the threshold would move that boundary to a higher turnover level.

More information

- 21 When GST was introduced in 1986, the registration threshold was set at \$24,000. If adjusted for inflation, the registration threshold would be approximately \$70,000 today.
- 22 Inland Revenue data shows that taxpayers with turnover between \$60,001 and \$70,000 accounted for approximately \$34 million of net GST in the March 2026 year.

Bary Hollow/Eleana Hill

Principal Policy Advisor/Policy Advisor

s9(2)(a)

² [What is the GST threshold and why does it matter?](#)

Briefing note

Reference: BN2025/275
Date: 10 June 2025
From: Martin Neylan
Subject: **Advice on threshold changes**

Purpose

1. This briefing note provides you with advice on:
 - Increasing the GST registration threshold to \$120,000; and
 - Increasing the provisional tax threshold to \$10,000.

Increasing the GST registration threshold to \$120,000

2. On 11 March 2024, a petition to increase the GST registration threshold to \$130,800 was referred to the Minister of Revenue for response in the House of Representatives on behalf of the Government. At this time, the Minister recommended no change to the GST registration threshold. This position was endorsed by Cabinet (LEG-24-MIN-0108 and CAB-24-MIN-0188 refers).

Background

3. GST is a broad-based tax on consumption in New Zealand and is intended to apply as broadly as possible to the consumption of goods and services, with very few exemptions. The purpose of the GST registration threshold is to strike a balance between taxing consumption, not imposing undue distortion on business competition, and ensuring compliance costs faced by new or small businesses are fair and manageable.
4. Officials consider that the current GST registration threshold of \$60,000 strikes the best balance between these competing considerations and we do not recommend any changes to the current threshold.

Considerations when setting the GST registration threshold

- **Distortions on business competition:** A relatively low GST registration threshold means most businesses face the same cost and pricing considerations, as its likely their prices are subject to GST. A higher registration threshold of \$120,000 would likely increase the risk of market distortion as GST registered suppliers would have to compete with a larger number of unregistered suppliers

who are not charging GST. This could create an uneven playing field for these competing businesses.

- **Compliance costs:** In a pure broad-based system GST would apply to almost all consumption in New Zealand. One objective of the registration threshold is to strike a balance between taxing consumption and reducing compliance costs on small businesses. Technological efficiency has led to a reduction in compliance costs overtime as GST has transitioned from a largely paper-based system to an online return process. The main benefit group of a proposed change to increase the GST registration threshold from \$60,000 to \$120,000 would be new or small suppliers that are not currently registered. They would be able to grow their sales up to \$120,000 before registering. It is unlikely that currently registered suppliers between these two amounts would deregister, due to the compliance costs associated with deregistration.
- **Maintaining a broad-based system:** Increasing the GST registration threshold will come at a **fiscal cost**. We have previously provided advice on this in response to the petition to increase the GST registration threshold to \$130,800 (IR2024/183 refers). As per that advice, GST registered taxpayers with an annual turnover between \$60,000 and \$130,800 accounted for approximately **\$463.38 million** of GST collected (or 1.7% of total GST collected) in the 2023 calendar year. Although it is unlikely currently registered taxpayers would deregister in response to an increase in the registration threshold, these figures provide a ballpark indication of the potential fiscal impact. Although the potential fiscal impact of an increase in the threshold to \$120,000 has not been costed, its potential cost would be similar.

Increasing the provisional tax threshold to \$10,000

5. Taxpayers must pay provisional tax if they have tax to pay of \$5,000 or more. This threshold was last changed for the 2020-21 income year as part of a package of changes directed at addressing COVID-19.
6. In our report on compliance cost initiatives for inclusion on the tax and social policy work programme (IR2024/127) we did not recommend increasing the threshold for paying provisional tax. We continue to hold that view.
7. From our previous report there were mixed views on the value of increasing this threshold with this being the last of the thresholds consulted on. In addition, during our participation in workshops run by BusinessNZ last year provisional tax was not mentioned as a pain point for business compliance costs.
8. This is primarily due to the simplification made to the regime in the 2018-19 income year which has made provisional tax less complex and less punitive for taxpayers when they have unexpected amounts of income.
9. There are a number of reasons we don't recommend increasing this threshold:
 - The provisional tax regime is now a simple regime that is easy to comply with and for most taxpayers should not result in any adverse outcomes in terms of incurring use of money interest.
 - Setting the threshold to a higher level may have adverse cashflow consequences to taxpayers who are on relatively low incomes. Having them account for three smaller instalments of provisional tax is less of a cashflow impact than one large payment of \$10,000 when they may have limited means to pay. The current threshold means they are less likely to get into financial trouble because of their tax liability.
 - The threshold has recently been increased and was only increased for a specific reason, the impact of COVID-19. Without that external factor it is unlikely we

would have recommended increasing the threshold. Again, the potential for taxpayers who have relatively low levels of income getting into adverse debt issues is a reason to keep the threshold lower.

- Any increase in threshold, while having a smaller fiscal cost as the change is timing in nature (ignoring any impact on debt recovery), does have a substantial one-off cash cost because of the deferral of payments to the following fiscal year. When we last looked at increasing the threshold to the current \$5,000 we also had an increase to \$10,000 costed. At that time the fiscal cost of moving from \$5,000 to \$10,000 would be approximately \$1.03m per year but the cash cost of deferral would be \$673m for the first year and \$1.03m per year thereafter. This includes increased funding cost to the government of funding the deferral.¹

10. For these reasons we continue to not recommend increasing the current provisional tax threshold.

Consultation with the Treasury

11. The Treasury was not informed about this briefing note. However, the Treasury is aware of the previous advice provided on these matters.

Martin Neylan
Policy Manager
s9(2)(a)

¹ Should the Minister want to pursue this change we would need to update this costing using more recent data.

12 May 2020

Dr Deborah Russell
Chairperson
Finance and Expenditure Committee
Parliament Buildings
WELLINGTON

Dear Dr Russell

Petition of Kirstin Murray: Raise the GST registration threshold to \$75,000

On 4 May 2020 the Finance and Expenditure Committee requested a submission outlining Inland Revenue's response to a petition raised by Kirstin Murray (petition number 2017/484), requesting that the GST registration threshold be raised to \$75,000. The committee also requested that Inland Revenue provide more information on the policy objectives behind the current threshold, and a statistical analysis of GST registered taxpayers in New Zealand.

Background information

GST is a broad-based tax on consumption in New Zealand. GST is imposed at a single rate of 15%, across most goods and services with few exemptions. If a person sells goods or services and their turnover is at least \$60,000 in the last 12 months, or is expected to be at least \$60,000 in the next 12 months, then they will be required to register for GST. This is known as the compulsory GST registration threshold. Suppliers below the registration threshold are also able to voluntarily register for GST.

GST registered suppliers are required to charge GST on their sales of goods and services and return the GST to Inland Revenue. They are also able to claim back the GST they have been charged on goods and services they purchase to make their own supplies (input tax). The amount of GST that a GST registered supplier is required to return is calculated by subtracting the amount of GST they have claimed on their expenses (input tax) from the amount of GST they have charged on their sales (output tax).

Policy rationale for the GST registration threshold in New Zealand

The policy rationale behind the low GST registration threshold of \$60,000 is consistent with maintaining a GST system that applies at a low rate to a very broad range of goods and services. This broad based approach to GST was recently endorsed by the Tax Working Group when undertaking its review of the New Zealand tax system.

A low registration threshold also results in most businesses facing the same cost and pricing considerations. This means the GST system is less likely to bias competition between suppliers with different business sizes or structures (such as a self-employed

contractor competing with a larger business with a few employees). The threshold of \$60,000 strikes the right balance between achieving these objectives and ensuring that other considerations, such as the compliance costs faced by new or very small businesses, are fair and manageable.

Analysis of the GST registration threshold

In her petition, Ms Murray proposes that the GST registration threshold should be raised to \$75,000 to provide smaller businesses with a relief from the compliance costs and tax obligations associated with GST filing.

Officials consider that raising the GST threshold in line with Ms Murray's proposal would not provide a widescale benefit to businesses that are facing cost pressures. In officials' view, the benefits of a higher GST registration threshold are relatively modest and would only apply to a small group of new or micro businesses, particularly self-employed contractors who mainly supply their own labour with few inputs (such as a business premises, equipment, machinery or vehicles). An increased registration threshold would not be an effective way to support businesses that are facing reduced revenue and cost pressures, and could create an uneven playing field for some competing businesses.

Size of benefit group

The main benefit group from such a policy change would be new or very small suppliers that are not currently registered for GST (e.g. because they have less than \$60,000 of sales and have not voluntarily registered). They would be able to grow to \$75,000 of sales before they need to register for GST and start returning GST on their sales, and therefore face the compliance costs associated with GST filing. It is considered that a significant portion of these small suppliers would be contractors earning below \$75,000, who would have little inputs and would thus benefit the most from not having to return output tax. For the most part, officials do not consider that businesses with turnover currently between \$60,000-\$75,000 would deregister given the compliance costs involved and potential impediments to business growth.

A higher GST registration threshold would not benefit exporters (export sales are subject to GST at 0%) or non-profit organisations (who usually purchase a higher value amount of goods and services than they sell), as these entities benefit from registering for GST as it allows them to claim GST refunds. Many other new businesses may also benefit from voluntarily registering for GST (before they exceed the turnover threshold) as it allows them to claim the GST back on their purchases of assets, inventory or equipment they need to establish their business.

In terms of assessing the potential size of the benefit group, in the 2019 calendar year there were 23,067 taxpayers who had GST payable (as opposed to GST refunds) between the \$60,000-\$75,000 threshold (3.4% of all GST registered taxpayers).¹ These taxpayers accounted for \$126.4m of GST collected (0.6% of total). Although officials do not consider that taxpayers that are already GST registered would deregister, these figures provide an indication of the number of taxpayers that may have been able to delay registering for

¹ These figures are for the 2019 calendar year. Taxpayers in a GST refund position have not been included as they would almost always elect to be registered to claim inputs.

GST and return less GST if the registration threshold had been \$75,000 rather than \$60,000, and the amount of GST they return.

How much they would benefit

The maximum benefit a supplier would receive from increasing the GST registration threshold to \$75,000 would be \$11,250, which is the amount of output tax payable on \$75,000 of taxable supplies. In most cases the benefit received would be much lower than this. This is because many suppliers would have input claims that would offset their output tax to some extent. Moreover, as there would only be a \$15,000 differential between the current and proposed threshold, suppliers would only be able to derive a benefit to the extent that they remained under \$75,000 taxable supplies in any 12 month period.

Equity concerns

Due to Covid19 many businesses are facing reduced revenues and cost pressures. Officials do not consider increasing the compulsory GST registration threshold would be an effective or equitable way to support businesses. This is because increasing the GST registration threshold provides relief (in terms of reduced compliance costs and output tax to pay) to **all** small businesses below the turnover threshold, but does not actually focus on businesses that may need financial assistance to survive, recover and grow. There are many businesses who would be in this category that would fall outside the turnover parameters of an increased GST registration threshold. Although they explicitly pertain to the economic impacts caused by COVID-19, the wage subsidy and small business loan measures, and policy changes that allow the Commissioner of Inland Revenue to waive interest and penalties on late payments of tax are examples of broader measures that help to alleviate financial pressures on businesses.

Increasing the GST registration threshold also makes it more likely that the GST system could bias competition between suppliers with different business sizes or structures. This is because small operators below the registration threshold (such as a self-employed contractor) may be able to compete for the same work at a price advantage against larger businesses by virtue of not having to charge GST on their supplies. Officials consider the current GST registration threshold strikes the correct balance between the compliance costs of smaller operators, and ensuring there aren't distortions to competition.

Statistics regarding GST registered taxpayers in New Zealand

There are currently 674,334 GST registered suppliers in New Zealand. 292,104, or 43.3% of these, are below the current GST registration threshold of \$60,000.² This is primarily because voluntarily registering for GST allows suppliers to claim back GST on their inputs. As noted above, we would expect that a large proportion of taxpayers currently in the \$60-75,000 band would continue to want to maintain registered for GST even if they had the ability to de-register (potentially temporarily).

Appended to this document is a table which breaks down the number of GST registered taxpayers in New Zealand by turnover band.

² This data is for the 2019 calendar year

Conclusion

We trust that the above comments are of assistance. Inland Revenue is happy to provide the committee with any further information needed.

Yours sincerely

s9(2)(a)



Graeme Morrison
Policy Lead

Appendix 1: Number of GST registered taxpayers by turnover band³

Turnover band	Number of GST registered taxpayers	% of total GST registered taxpayers
0-60,000	292,104	43.32%
60-75k	27,398	4.1%
75k-100k	39,147	5.8%
100k-250k	120,885	17.9%
250k-500k	67,791	10.1%
500k-750k	31,845	4.72%
750k-1m	19,624	2.91%
1m-2m	34,722	5.16%
2m-5m	24,138	3.58%
5m-30m	13,495	2.00%
30m+	3,185	0.47%
Total	674,334	100%

³ Data for the 2019 calendar year

Inland Revenue report: Response to request for official information from s9(2)(a) [redacted] of the office of Jacinda Ardern MP: GST registration threshold

Date:	8 June 2015	Priority:	High
Security level:	In confidence	Report number:	IR2015/266

Action sought

	Action sought	Deadline
Minister of Revenue	Note the contents of this report and the attached draft response	15 June 2015 Statutory deadline

Contact for telephone discussion (if required)

Name	Position	Telephone
s9(2)(a) [redacted]	Policy Manager	s9(2)(a) [redacted]
	Policy Analyst	[redacted]

8 June 2015

Minister of Revenue

Response to request for official information from s9(2)(a) of the office of Jacinda Ardern MP: GST registration threshold

Background

On 15 May 2015, the Commissioner of Inland Revenue received an Official Information Act request from s9(2)(a) to Labour MP Jacinda Ardern. The request was for:

Any work carried out by the Ministry in the last 24 months on whether the GST threshold should be adjusted.

How many entities are registered for GST with a gross turnover of between \$60,000- \$80,000 and \$80,000-\$100,000, and \$100,000-120,000 and the net GST payments within each of these brackets.

A response to the request is due by 15 June 2015. The proposed letter of reply is attached for your information.

Information to be released

We have assumed, from the nature of the second part of s9(2)(a) request, that the first part relates to the GST registration threshold of \$60,000. Inland Revenue has not carried out any work in the last 24 months on this subject, so there is no information covered by the first part of the request.

Inland Revenue publishes information on our website about the number of GST filers and the net GST by turnover band. However, this data does not correspond to the turnover bands in the request. We propose to release the following table, which shows the number of filers and the net GST for entities with a turnover in the bands given by s9(2)(a), for the 2013 tax year.

GST turnover	Number of filers	Net GST (\$m)
\$60,000–80,000	35,360	127.9
\$80,000–100,000	28,590	132.0
\$100,000–120,000	22,880	136.0
Total (all registered persons)	634,640	13,415.5

Communications

Inland Revenue does not consider that there is anything controversial in the information that is intended for release. The GST registration threshold has been set at \$60,000 since 1 April 2009.

Recommended action

I recommend that you **note** the contents of the report and the attached draft response.

Noted

s9(2)(a)

Policy Manager

Hon Todd McClay

Minister of Revenue

xx June 2015

s9(2)(a)

Office of Jacinda Ardern MP

s9(2)(a)

Dear s9(2)(a)

Thank you for your request made under the Official Information Act 1982, received on 15 May 2015. You requested the following:

Any work carried out by the Ministry in the last 24 months on whether the GST threshold should be adjusted.

How many entities are registered for GST with a gross turnover of between \$60,000-\$80,000 and \$80,000-\$100,000, and \$100,000-120,000 and the net GST payments within each of these brackets.

We have assumed, from the nature of the second part of your request, that the first part is about the turnover threshold for GST registration (currently \$60,000). Inland Revenue has not carried out any work on adjusting the GST registration threshold in the last 24 months and, therefore, does not hold any information covered by your request.

Inland Revenue publishes data on net GST by turnover band on its website (www.ird.govt.nz/aboutir/external-stats/revenue-refunds/net-gst-by-turnover-band/gst-turnover-band.html) and number of GST filers by turnover band (www.ird.govt.nz/aboutir/external-stats/revenue-refunds/gst-filers-by-turnover-band/gst-filers-turnover-band.html). However, the bands used in these tables are wider than those you have specified.

The table below shows, for the 2013 tax year, net GST payments and the number of GST-registered filers with a turnover in the specified bands.

GST turnover	Number of filers	Net GST (\$m)
\$60,000-80,000	35,360	127.9
\$80,000-100,000	28,590	132.0
\$100,000-120,000	22,880	136.0
Total (all registered persons)	634,640	13,415.5

I have provided data for the 2013 tax year to maintain consistency with the published statistics and enable you to use those statistics for further analysis if required. The data for the 2014 tax year will be available on our website later this year. Generally, shifts in the data from year to year will not be large.

This fully covers the information you requested. Thank you for writing.

Yours sincerely

s9(2)(a)

Policy Manager