



25 January 2022

[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 15 December 2022. You requested the following:

- 1) *Over each of the previous 5 years, the number of investigations conducted into instances of potential excessive remuneration under each of ss GB 23 and 25.*
- 2) *The number of determinations of excessive remuneration resulting from the investigations in (1), over each of the previous 5 years.*
- 3) *Over each of the previous 5 years, the number of investigations conducted into instances of potential disallowable deductions under s DC 5.*
- 4) *The number of disallowed deductions under s DC 5 over each of the previous 5 years.*

Information refused

Inland Revenue does not hold the information you have requested in a readily available format. We are unable to easily filter through audit cases and due to the substantial amount of work that would be required to research and collate the information you have requested, we are refusing your request under section 18(f) of the OIA.

When conducting audits, Inland Revenue staff look at a range of risks, including the potential for excessive remuneration to be paid to those customers on lower tax rates, and whether a deduction is available for payments made to spouses, civil union partners and de facto partners. Information on the number of times that this risk is reviewed is not collected. Providing the requested information would require a manual review of all audit cases in the past five years (a total of 25,830 cases).

We have considered whether charging or extending the timeframe for responding to your request would help, as required by section 18A of the OIA. However, specific technical knowledge is required to research and collate the information you have requested. It is estimated that it would take approximately 2,200 hours to review all cases and extract the information you seek. This would require at least two staff to work solely on reviewing and collating the requested information for approximately one year. Redeploying current Inland Revenue staff or training new hires to research and collate this information would have an unreasonable impact on Inland Revenue's other core business.

We have considered consulting with you, as required by section 18B of the OIA. However, we do not believe consultation would provide any benefit given the specificity of your request. Additionally, reducing the number of years you have requested information for would also require a manual review of all cases for those periods.

While we cannot meet your exact request, we are able to provide you with the total number of audits completed by Inland Revenue in the past five years. This information is listed on the following page.

Tax year	Total audits
2022	3,080
2021	8,112
2020	6,075
2019	5,809
2018	2,754

Right of review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

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

If you choose to have an internal review, you can still ask the Ombudsman.

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 for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Tony Morris
Customer Segment Leader, Significant Enterprises