Inland Revenue
Te Tari Taake

26OIA2401

3 July 2026

[redacted]

Dear [redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 8 June 2026. You requested the following:

> *I am requesting the total amount of tax written off for PAYE earners who would otherwise have had a balance owing because of an additional pay period falling within the tax year. An annual total for each tax year since 2020 (or the year of the policy's inception) will be fine.*

Background

Extra pay periods can occur because a calendar year of 365 or 366 days does not divide evenly into weekly, fortnightly, or four-weekly pay cycles. Where a payday falls on the first day of the tax year, this can result in an additional payday within that year. In some cases, this may mean too little pay as you earn (PAYE) tax is deducted for that tax year, even though PAYE was correctly withheld under the applicable rules.

To support the integrity and fairness of the tax system, the Tax Administration Act 1994 (TAA) makes provision for tax arising solely from an extra pay period to be written off. The relevant parts of the TAA are section 22J(1) and clause 1(c) of schedule 8, part B. These write-off rules were introduced to reduce compliance costs and ensure that individuals who have done everything they reasonably could to meet their obligations are not surprised by a tax bill at year-end.

Inland Revenue may write-off your tax bill if you are a qualifying individual, whose income is already reported to Inland Revenue and has tax deducted before they receive it, and your tax bill has arisen **solely** because of an extra pay period. This is subject to certain factors, such as (but not limited to) you have not received Working for Families Tax Credits, you have not changed your tax code or used a tailored tax code during the year. Information publicly available on Inland Revenue's website provides further information on write-offs for extra pay periods: Automatic write-offs.

Information released

The information you requested is set out in the table on the following page. It was extracted from our systems on 18 June 2026 and reflects a point-in-time snapshot. Please note that all 2026 figures are provisional and may change as 2026 Income Tax Assessments are finalised.

The total write-off value shown represents amounts written off for customers identified as having received an extra pay period, resulting in tax payable that was subsequently written off. To provide further context, data on the number of affected customers has also been included.

Extra pay period write-offs

Tax year ending	Value ($m)	Customers
31 March 2020	$37.4	510,500
31 March 2021	$36.0	249,700
31 March 2022	$11.7	146,900
31 March 2023	$6.6	88,300
31 March 2024	$8.3	87,400
31 March 2025	$6.4	58,100
31 March 2026	$30.9	189,200

Note: *write-off ($m) values are rounded to one decimal place.*

Variations in write-off totals between tax years largely reflect how the day each tax year starts and ends aligns with regular pay cycles, changing the number of customers eligible for write-offs year to year. For example, government pay cycles are typically fortnightly, running from Wednesday (day 1) to Tuesday (day 14). In 2025, the tax year ended on a Monday, while in 2026 it ended on a Tuesday.

We note that higher numbers of customers received an extra pay period write-off (<$50) in the 2020 tax year in comparison to the other years. This is attributable to the fact that some New Zealand superannuation recipients received an additional pay period during that year.

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

Sharyn Rea
Segment Management Lead - Individuals