



30 June 2025

[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 29 May 2025. Your request is attached as **Appendix A**.

PAYE and GST data

The data Inland Revenue can provide in relation to your request is attached as **Appendix B**. Inland Revenue is able to provide the total amount of unpaid PAYE withheld from employees' wages and GST that was charged to customers and not subsequently paid to IRD. In cases where PAYE was never withheld or GST was never charged, this information would not be present on an individual or entity's return, thus Inland Revenue cannot report on these criteria.

Appendix B provides the following tables covering the years ending 30 June 2018 through 31 March 2025 (as at 31 May 2025):

- Table 1 – Total unpaid PAYE and GST per year, excluding penalties and interest
- Table 2 – Yearly breakdown of unpaid PAYE and GST amounts that are attributable to businesses or individuals in liquidation or bankruptcy
- Table 3 – Yearly breakdown of unpaid PAYE and GST amounts owed by active and non-active entities
- Table 4 – Total amounts of unpaid PAYE or GST written off per year
- Table 5 – Yearly breakdown of unpaid PAYE and GST amounts that are deemed either collectable or non-collectable
- Table 6 – Yearly breakdown of unpaid PAYE and GST amounts owed by industry

Inland Revenue does not categorise the reasons for non-payment in a manner that is indexed or searchable. If a payment is not received Inland Revenue is unable to determine the specific reasons for this unless advised by the individual or entity. If given, this reasoning may be held in account notes to refer to in future but is not categorised. As such, your request for a breakdown of the reasons for non-payment is refused under section 18(e) of the OIA, as the information requested does not exist.

Details of amounts written off for PAYE prior to the year ending 30 June 2021 is held in Inland Revenue's heritage system, to which there is limited access. Details held within our heritage system are not easily retrievable and cannot be verified without significant manual review. As such, your request for the amount of PAYE written off for the years ending 30 June 2018 through

30 June 2020 is refused under section 18(f) of the OIA, the information cannot be made available without substantial manual collation.

Enforcement information

Inland Revenue has no internal policy documents, operational guidelines or staff instructions on the enforcement of PAYE and GST specifically. Such instructions that exist are limited to information pages which explain how to use Inland Revenue systems to process a liquidation, bankruptcy, prosecution investigation or other interventions used to collect tax or promote voluntary compliance. As such your request for copies or excerpts of PAYE and GST enforcement guidelines is refused under section 18(e) of the OIA, as the requested information does not exist.

Inland Revenue does not treat such cases differently, nor are these amounts regarded or treated as subject to any fiduciary obligations, constructive trust principles, or analogous expectations.

Inland Revenue has a robust suite of enforcement tools available to assist in the collection of unpaid tax. Regarding PAYE and GST, cases may be subjected to investigation which can result in prosecution. There are no fixed criteria for when a case will be investigated or prosecuted, cases are considered on their own merits and in accordance with the Solicitor-General's Prosecution Guidelines.

Specifically for PAYE, where assets are owned, the Commissioner has the option of taking security over assets owned by a taxpayer who has unpaid PAYE (as detailed in section 169 of the Tax Administration Act 1994).

Where the shareholders of a close company are paid wages from their company and the company does not pay the PAYE, the Commissioner can disallow the tax credits being claimed by the shareholders which results in a personal debt for the shareholder (as detailed in section LB1 of the Income Tax Act 2007).

Since 1 March 2024 to 31 May 2025, Inland Revenue has undertaken 14 prosecutions relating to PAYE and 25 prosecutions relating to GST. There may be cases where a prosecution involved both PAYE and GST. Inland Revenue is unable to provide this data prior to 1 March 2024, as prior to this date our reporting did not include the level of detail (i.e. tax types) required to isolate that information. To retrieve this information, Inland Revenue would need to utilise staff with specialised skillsets to manually review cases and determine the tax type for each prosecution individually. As such, your request for a breakdown of the number of prosecutions relating to PAYE and GST prior to 1 March 2024 is refused under section 18(f) – the information requested cannot be made available without substantial collation.

In making my decision, I considered if narrowing the request or extending the timeframe would enable Inland Revenue to answer your request. However, in this case, neither of these options would enable Inland Revenue to grant you the information requested.

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



Bernie Newman

Customer Segment Leader - Small & Medium Enterprises Customer Segment

Appendix A

Follow-Up to 25OIA1872 – Non-remittance of PAYE and GST Withheld or Charged Background

In January this year I submitted an Official Information Act request concerning unpaid PAYE and GST (reference: 25OIA1872). Your response of 27 February 2025 provided helpful year-by-year data on total amounts unpaid and written off, and it indicated a significant and growing issue—particularly between 2020/21 and 2023/24. However, the format and generality of parts of the response did not allow me to isolate the particular forms of non-compliance that concern me most. I acknowledge that this may be due to the way I framed my original request, and I hope this follow-up will more precisely identify the information I seek.

Refined Focus of This Request I am specifically interested in the amounts of:

- *PAYE that was withheld from employees' wages, and*
- *GST that was charged to customers but which were not subsequently paid to IRD—either due to insolvency, misuse, or other reasons.*

This is distinct from cases where:

- *PAYE was simply never withheld, or*
- *GST was never charged. This form of non-remittance—where amounts collected or withheld on behalf of the Crown are not passed on—is the central concern of this request. I regard it as fundamentally different in nature from general tax shortfall or non-compliance.*

Request for Data

Can you please provide a breakdown of PAYE and GST amounts unpaid to IRD, by financial year (from 2017/18 onwards, to the extent this is possible), specifically identifying amounts:

- *(a) Attributable to businesses or individuals that are now in liquidation or bankruptcy;*
- *(b) Still owed by entities that are currently trading;*
- *(c) That have been formally written off.*

In each category, I am specifically seeking information on amounts withheld (PAYE) or charged (GST), but not remitted to IRD, and not simply amounts assessed but never paid. Please also include, where available:

- *Any categorisation IRD uses regarding the reason for non-payment (e.g., insolvency, suspected fraud, cashflow hardship, dispute).*
- *Any categorisation regarding recovery prospects (e.g., still under collection action, no prospect of recovery, enforcement suspended).*
- *Any relevant data segmentation IRD maintains by industry sector or business type.*

Request for Policy and Enforcement Context

In addition, I would be grateful for copies of (or excerpts from) any IRD internal policy documents, operational guidelines, or staff instructions that address the enforcement of PAYE and GST where the amounts were withheld or collected but not remitted. Specifically:

- Does IRD treat such cases differently from general tax arrears (e.g., missed income tax payments)?*
- Are these amounts regarded or treated as subject to any fiduciary obligations, constructive trust principles, or analogous expectations?*
- What enforcement tools (e.g., personal liability notices, criminal referrals, asset tracing) are commonly used or considered appropriate?*
- How often are such cases referred for prosecution or director-level personal liability actions?*

Appendix B**Table 1 – Total unpaid PAYE and GST per year, excluding penalties and interest (\$m)**

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Employer Activities	\$6	\$14.9	\$28.1	\$47.6	\$89	\$170.6	\$317.1	\$423.9	\$1,097.2
Goods and Services Tax	\$41.9	\$51.9	\$67.3	\$139.8	\$224.5	\$382.6	\$674.9	\$1,047.6	\$2,630.5
Grand Total	\$47.9	\$66.8	\$95.4	\$187.3	\$313.5	\$553.2	\$992	\$1,471.6	\$3,727.7

Table 2 – Yearly breakdown of unpaid PAYE and GST amounts that are attributable to businesses or individuals in liquidation* or bankruptcy (\$m)

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Bankrupt / Liquidation	\$15.5	\$25	\$36.6	\$80.1	\$110.7	\$185.1	\$192.2	\$66.4	\$711.7
Other	\$32.4	\$41.7	\$58.8	\$107.2	\$202.8	\$368.1	\$799.8	\$1,405.2	\$3,015.9
Grand Total	\$47.9	\$66.8	\$95.4	\$187.3	\$313.5	\$553.2	\$992	\$1,471.6	\$3,727.7

*Data includes liquidations or bankruptcies which have been finalised.

Table 3 – Yearly breakdown of unpaid PAYE and GST amounts owed by active and non-active* entities (\$m)

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Active	\$31.4	\$45.9	\$69.2	\$157.7	\$266.8	\$490.5	\$927.2	\$1,445.6	\$3,434.3
Inactive	\$16.5	\$20.9	\$26.1	\$29.6	\$46.7	\$62.7	\$64.8	\$26	\$293.3
Grand Total	\$47.9	\$66.8	\$95.4	\$187.3	\$313.5	\$553.2	\$992	\$1,471.6	\$3,727.7

*Based on whether the entity's business activity has formally ceased. In some cases, an employer or GST registration can show as active, despite the entity having ceased trading or employing people.

Table 4 – Total amounts of unpaid PAYE or GST written off per year (\$m)

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Employer Activities				\$30.7	\$32.6	\$37.2	\$19.1	\$1.7	\$121.2
Bankruptcy /Liquidation				\$17.9	\$19.3	\$20.5	\$8.0	\$0.4	\$66.1
Other				\$12.8	\$13.3	\$16.6	\$11.2	\$1.3	\$55.2
GST	\$110.3	\$109.1	\$85.5	\$64.2	\$68.0	\$62.1	\$36.9	\$5.9	\$541.9
Bankruptcy /Liquidation	\$49.1	\$46.9	\$32.	\$25.6	\$31.5	\$25.3	\$12.6	\$0.7	\$223.6
Other	\$61.2	\$62.2	\$53.5	\$38.6	\$36.5	\$36.8	\$24.3	\$5.2	\$318.3
Grand Total	\$110.3	\$109.1	\$85.5	\$94.8	\$100.6	\$99.3	\$56	\$7.6	\$663.2

Table 5 – Yearly breakdown of unpaid PAYE and GST amounts that are deemed either collectable or non-collectable* (\$m)

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Collectable	\$27.6	\$34.8	\$47.4	\$80.9	\$151.8	\$302.3	\$679.4	\$1,286.4	\$2,610.4
Non-Collectable	\$20.4	\$32	\$47.9	\$106.5	\$161.7	\$250.9	\$312.6	\$185.2	\$1,117.2
Grand Total	\$47.9	\$66.8	\$95.4	\$187.3	\$313.5	\$553.2	\$992	\$1,471.6	\$3,727.7

*Collectable debt is under an active arrangement, or where normal collection activity can be undertaken. Non-collectable debt is amounts where Inland Revenue cannot currently collect, or are unlikely to collect at this time (including bankruptcy and liquidations, either in progress or finalised), in receivership or voluntary administration, under legal dispute and pending a determination or ruling, or if the customer has passed away.

Table 6 – Yearly breakdown of unpaid PAYE and GST amounts owed by industry* (\$m)

	2018	2019	2020	2021	2022	2023	2024	2025	Grand Total
Accommodation and Food Services	\$1.7	\$4.4	\$7.8	\$12.8	\$22.6	\$52.5	\$95.1	\$130.6	\$327.5
Administrative and Support Services	\$2	\$2.8	\$4.4	\$6.4	\$12.2	\$29.5	\$52.7	\$74.2	\$184.3
Agriculture, Forestry and Fishing	\$3	\$4.2	\$9.5	\$24	\$39.7	\$34.2	\$58.2	\$90	\$262.9
Arts and Recreation Services	\$0.4	\$0.8	\$1	\$1.8	\$2.2	\$4.5	\$9.7	\$15.3	\$35.6
Construction	\$11	\$16.4	\$24.4	\$42.4	\$90.4	\$168	\$270.8	\$347.2	\$970.6
Education and Training	\$0.4	\$0.7	\$1	\$1.3	\$2.5	\$5.8	\$12.6	\$29	\$53.3
Electricity, Gas, Water and Waste Services	\$0.1	\$0.1	\$0.6	\$0.5	\$0.6	\$1.8	\$4.3	\$8.9	\$16.8
Financial and Insurance Services	\$0.4	\$0.7	\$0.7	\$1.3	\$2.8	\$4.2	\$5.4	\$14.1	\$29.6
Health Care and Social Assistance	\$0.4	\$0.8	\$1.5	\$2.1	\$3.9	\$11	\$30.5	\$44.7	\$94.9
Information Media and Telecommunications	\$0.8	\$1.3	\$1.5	\$2.2	\$3.8	\$4.9	\$8.6	\$18.4	\$41.5
Manufacturing	\$1.7	\$4.4	\$5.2	\$7.1	\$13.1	\$28.7	\$54.5	\$93.7	\$208.5
Professional, Scientific and Technical Services	\$3.1	\$5.2	\$7.7	\$11.7	\$19.9	\$33.1	\$67.5	\$131.7	\$279.8
Rental, Hiring and Real Estate Services	\$8	\$11.9	\$13.2	\$45.9	\$50.8	\$77.8	\$146	\$179.9	\$533.5
Retail Trade	\$1.8	\$2.2	\$3.7	\$6	\$10.9	\$23.2	\$44	\$70.7	\$162.5
Transport, Postal and Warehousing	\$2.2	\$4.7	\$5.6	\$8.8	\$15.9	\$28.3	\$49.3	\$67.5	\$182.3
Other/Unknown	\$11	\$6.1	\$7.6	\$13	\$22.3	\$45.7	\$82.7	\$155.7	\$344.1
Grand Total	\$47.9	\$66.8	\$95.4	\$187.3	\$313.5	\$553.2	\$992	\$1,471.6	\$3,727.7

*Some industries have been combined to protect confidentiality.