Inland Revenue
Te Tari Taake

26OIA2267

4 June 2026

[redacted]

Dear [redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 6 May 2026. You requested the following:

> *I am making an official information request regarding the number/percentage of people living in New Zealand who are receiving a secondary tax. I am also making a request for this to please include any available information regarding the number or percentage of people working a second job if this is available. The timeframe for this information can be from May 1 2025 to May 1 2026.*

**Background to secondary tax**

New Zealand's progressive tax system means that tax rates increase as income increases. Our secondary tax code system generally ensures that people who earn the same amount of pay as you earn (PAYE) income pay the same amount of tax, regardless of how their income is earned. A common misunderstanding is that using a secondary tax code results in an individual paying more tax.

When a person receives income from multiple sources, a primary tax code is applied to the main source of income, and a secondary tax code should then be applied to any second or subsequent sources(s) of PAYE income. Using the correct secondary tax code generally ensures that a flat rate of tax is applied to secondary income at an appropriate level for the person's expected annual income.

For example, a person earning $70,000 from only one income source will have tax deducted as shown in the table on the following page.

**Example 1:** Customer earning $70,000 from a single income source.

| Tax band | Tax rate for income within this tax band | Income | Amount of tax |
|---|---|---|---|
| **Main source of income ($70,000)** | | | |
| Up to $15,600 | 10.50% | $15,600 | $1,638.00 |
| Income over $15,600 and up to $53,500 | 17.50% | $37,900 | $6,632.50 |
| Income over $53,500 and up to $78,100 | 30.00% | $16,500 | $4,950.00 |
| **Total** | | $70,000 | $13,220.50 |

** These figures exclude any other additional fees or levies, such as the ACC Earners' Levy, for the purposes of this example.*

Another person, earning $60,000 from their main income source and $10,000 from their secondary income source, will have the same amount of tax deducted overall, as shown in the following table.

**Example 2:** Customer earning $60,000 from one income source and 10,000 from a secondary income source, with tax deducted using the SH secondary tax code (30%).

| Tax band | Tax rate for income within this tax band | Income | Amount of tax |
|---|---|---|---|
| **Main source of income ($60,000)** | | | |
| Up to $15,600 | 10.50% | $15,600 | $1,638.00 |
| Income over $15,600 and up to $53,500 | 17.50% | $37,900 | $6,632.50 |
| Income over $53,500 and up to $78,100 | 30.00% | $6,500 | $1,950.00 |
| **Total** | | $60,000 | $10,220.50 |
| **Secondary source of income ($10,000)** | | | |
| Where the estimated annual total income from all sources is between $53,501 and $78,100 | 30.00% | $10,000 | $3,000.00 |
| **Total (combined income)** | | $70,000 | $13,220.50 |

** These figures exclude any other additional fees or levies, such as the ACC Earners' Levy, for the purposes of this example.*

It is acknowledged that the secondary tax rates have some limitations, for example where a secondary income source spans income tax brackets. Where this is the case, a tailored tax code may be appropriate. More information about tax codes and the right ones to use can be found on our website: What tax code should I use?

**Information released**

Between 1 May 2025 to 1 May 2026 (inclusive), 590,288 (14.81%) unique customers have used a secondary tax code.

Please note, the figure provided above represents customers who used a secondary tax code at least once during the time period, rather than for the full period. The percentage is based on the total number of unique customers that received income and were included in the Employment Information (EI) returns for the specified period.

Where we were unable to identify a unique customer, for example an incorrect IRD number was provided or was missing, these were excluded.

**Secondary jobs**

Inland Revenue does not hold definitive information on the number or percentage of people working a second job. While individuals who have more than one source of pay as you earn (PAYE) income may use a secondary tax code, Inland Revenue data cannot reliably distinguish between:

- multiple concurrent jobs,
- changes in employment during the year, or
- overlapping income sources.

For this reason, Inland Revenue cannot provide a confirmed count or percentage of people working a second job. As such, this part of your request is refused under section 18(g) of the OIA, as the information requested is not held.

**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

Michael Waller
**Segment Management Lead - Individuals**