



19 March 2025



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), transferred to Inland Revenue from the Office of the Minister of Finance, Hon Nicola Willis, on 11 March 2025. You requested the following:

1. *23 Jan 2025 Inland Revenue Briefing Note BN2025/017: US Presidential Memo concerning the Global Minimum Tax*
2. *28 Jan 2025 Inland Revenue Report IR2025/010: Tax monitoring report: Collections to December 2024*

Information being released

I am releasing the document IR2025/010, *Tax Monitoring report: Collections to December 2024*, to you, enclosed as **Appendix A**. Some information is withheld under section 9(2)(a) of the OIA, 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.

Information withheld in full

I am withholding the document BN2025/017, *US Presidential Memo concerning the Global Minimum Tax*, in full under section 6(a) of the OIA, making available of the information would be likely to prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand.

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 for a review.

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



Thomas Allen

Domain Lead, Governance and Ministerial Services



POLICY

Tax policy report: **Tax monitoring report: Collections to December 2024**

Date:	28 January 2025	Priority:	Low
Security level:	In Confidence (Information is released to a timetable)	Report number:	IR2025/010

Action sought

	Action sought	Deadline
Minister of Revenue	Note the contents of this report Refer report to Minister of Finance	None 04 February 2025

Contact for telephone discussion (if required)

Name	Position	Telephone
Sandra Watson	Policy Lead, Forecasting and Analysis	s 9(2)(a) [REDACTED]

Tax Monitoring Report: Collections to December 2024

Purpose and context

1. The purpose of this report is to inform you of how tax collections¹ for the six months to December 2024 are tracking against the Treasury's forecasts from the 2024 Half Year Economic and Fiscal update (HYEFU). No action is required from Ministers.
2. Monthly tax outturns have a timetabled release by the Treasury and December figures should not be disclosed until after publication on 13 February 2025.
3. The 2024 Half Year Economic and Fiscal Update (HYEFU) was released on 17 December 2024, and this is the first report of variances against these forecasts. As outturns to October 2024 were known at the time HYEFU forecasts were prepared, variances presented in this report are for the months of November and December 2024.

Tax receipts for the year to December 2024 (2024/25 fiscal year)

Receipts Variance

4. For the six months ending 31 December 2024, unconsolidated aggregate tax receipts totalled \$58,934m, \$35m (0.1%) above the Treasury's HYEFU forecast.
5. There were some offsetting variances in different tax types. The key tax types above forecast were:
 - **Total net GST:** \$246m (1.3%) greater than forecast,
 - **net company tax:** \$85m (1.0%) greater than forecast,
 - **net other persons tax:** \$56m (2.3%) greater than forecast
6. GST was \$246m greater than forecast. Although measuring an earlier period, annual growth in nominal consumption for the September 2024 quarter has been measured at 2.7%, slightly higher than the HYEFU forecast of 2.6%². Consumption data for the December 2024 quarter will be released on 20 March 2025. Annual inflation for the December 2024 quarter has also been measured at 2.2%³, compared to a HYEFU forecast of 2.0%.
7. The positive variances in paragraph 5 were partially offset by **PAYE**, which was \$373m (1.5%) below forecast. This variance has increased from \$102m below forecast in November. The revenue measure is much closer to forecast, so this cash variance may just be related to timing in the forecast monthly phasing.

¹ Limited to Inland Revenue administered tax types plus Customs GST, referred to in this document as Aggregate taxation. Two measures are reported. Tax receipts reflect actual collections (cash). Tax revenue reflects amounts estimated to be earned but not necessarily received yet.

² Source: Gross Domestic Product: September 2024 quarter, released by Statistics New Zealand on 19 December 2025.

³ Source: Consumers Price Index: December 2024 quarter, released by Statistics New Zealand on 22 January 2025.

Receipts Growth

8. Over the twelve months to December 2024, unconsolidated aggregate tax receipts grew by \$6,334m (5.3%) compared to the previous year. The main contributors to this growth were:
 - **PAYE**: increased by \$2.3b (4.8%),
 - **GST**: increased by \$1.4b (3.5%),
 - **residents withholding tax on dividends (DWT)**: increased by \$1.1b (92.7%) due to increased dividends paid ahead of the 39% trustee tax rate taking effect, and
 - **interest RWT**: increased by \$0.9b (31.9%).
9. **Net company tax** receipts grew by \$670m over the same period, and **net other persons** receipts declined by \$490m.

Tax revenue for the year to December 2024 (2024/25 fiscal year)

10. Unconsolidated aggregate tax revenue for the six months to 31 December 2024 totalled \$63,205m, which is \$779m (1.2%) below forecast.
11. These main tax types below forecast are **Net company tax** at \$1,041m (11.8%) below forecast, and **PAYE** which was \$47m (0.2%) below forecast.
12. These variances are partially offset by positive variances in the other main tax types. **Total net GST** was \$219m (1.1%) greater than forecast while **Net other persons tax** was \$88m (2.3%) greater than forecast. These are both consistent with the receipts measure. **DWT** was also similar to the receipts measure, at \$23m (5.6%) greater than forecast.
13. Of the \$1,041m negative variance in net company tax, \$950m will be removed on consolidation⁴, resulting in a consolidated company tax variance closer to HYEPU forecast at \$91m below which is within normal monthly fluctuations.

Consultation and next steps

14. The Treasury has been consulted on this report.
15. The Government's interim financial statements for the six months ended 31 December 2024 will be published by the Treasury on 13 February 2025.


⁴ The consolidation process carried out by the Treasury removes the impact of Government paying tax to itself, mainly GST and income tax from Government-owned entities.

Recommended action

We recommend that you:

16. **note** the contents of this report, and
Noted
17. **refer** a copy of this report to the Minister of Finance for their information.
Referred/Not referred

s 9(2)(a)



Sandra Watson

Policy Lead, Forecasting and Analysis

Hon Simon Watts

Minister of Revenue

/ /2025

Cumulative Variance (2024/25 June year) on the Treasury's HYEFU 2024 forecasts - December 2024

\$ millions

