



19 March 2025

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 21 February 2025. You requested the following:

1. Total discrepancies for Property tax from 2009 to 2025 (to date)
2. Does IR target the use of the main home exemption in terms for compliance activity
3. What is the history of the IR833 form which was used to capture brightline property tax. Was this IR's preferred option or simply an interim measure introduced during Business Transformation.

### Part 1: Total discrepancies for Property Tax

The information you have requested regarding total discrepancies for property tax for 2009-2025 financial years is displayed in the following table.

**Table 1: Total discrepancies for Property tax from 2009 to 2025**

Financial Year	Additional Tax Assessed (\$)
2009	51,450,573
2010	37,859,185
2011	48,931,353
2012	40,531,183
2013	54,175,202
2014	53,139,113
2015	69,075,058
2016	68,748,685
2017	119,872,193

Financial Year	Additional Tax Assessed (\$)
2018	117,578,869
2019	109,108,705
2020	86,753,578
2021	119,737,857
2022	94,219,927
2023	128,800,040
2024	156,800,153
2025*	136,077,176
<b>Total</b>	<b>1,492,858,850</b>

\*Please note financial years are from 1 July to 30 June. For the 2025 financial year, the figure is year-to-date and was calculated as at 28 February 2025.

## Part 2: Use of the main home exemption for compliance activity

Inland Revenue monitors and reviews main home exemption claims looking for patterns of claims and uses external data to identify potential misuse of the main home claim.

## Part 3: History of the IR833 form

The IR833 form was introduced alongside the bright-line rule in 2015 as a supplementary form to allow customers to record details of any bright-line sales. It was designed to be used near the time of the sale to alert customers of any potential tax consequences. The use of the IR833 form is not compulsory, so is not completed for every bright-line sale reported.

The process for filing the IR833 has also been changed since the IR833 was introduced and has moved from the minimal viable product first implemented during business transformation to a more robust process.

Originally, the IR833 form was designed not only for property transactions subject to the bright-line rule, but also to capture property sales subject to trading and speculating rules. This was used in conjunction with customer notifications, where customers are sent an IR833 when a potential bright-line sale has been identified.

A review of forms completed in the 2016 and 2017 tax years found that the majority of sales recorded were taxable under other property taxing provisions, and only 19% of the sales were taxable under the bright-line rule. As a result, the form was redesigned to better capture property transactions subject to bright-line.

### **Publishing of OIA response**

We intend to publish our response to your request on Inland Revenue's website ([ird.govt.nz](http://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



Richard Philp

**Customer Segment Leader**