



15 May 2026

[Redacted]  
[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 16 April 2026. You requested the following:

*Can I request a summary of tax revenue generated from the bright line tax for the past 10 years. Please break this down by year. Please include number of properties that the bright line test applied to. The purpose of this request is to compare if government reducing the bright line test to two years significantly reduced tax revenue compared to 10 years. Any additional information to answer the above purpose would be greatly appreciated.*

The bright-line test is one of several provisions under the Income Tax Act 2007, which taxes income from property sales. As bright-line is not a tax, Inland Revenue does not capture the amount of revenue collected that is specifically attributed to bright-line compliance.

Since the 2023 tax year (1 April 2022 to 31 March 2023), Inland Revenue has included a specific key point for customers to return net bright-line profit in their income tax return. Please note that bright-line income may have been returned in other key points in the return and not included in this figure.

Prior to 2023, this income was included in various other key points that weren't specific to bright-line income. Accordingly, your request for data relating to bright-line prior to 2022 is refused under section 18(g)(i) of the OIA, as the information requested is not held by Inland Revenue, nor do I have reason to believe this is held by another department or agency.

### **Information being released**

The table on the following page provides the number of property sales for the years ending 31 March 2023 through to 31 March 2026 which were subject to the bright-line test, and the total of the share of net profit for these sales. The change from 10 years to 2 years to qualify for the bright-line test came into effect on 1 July 2024, which would have impacted on the 2025 tax year onwards.

Please note that property sales subject to the bright-line test includes sales where an exclusion applies. Data provided for the year ending 31 March 2026 represents an in-progress figure, as returns for this period are not required until 31 March 2027.

Year ending 31 March	Volume of sales within bright-line period	Total of share of net profit (\$m)
2023	45,662	276.78
2024	49,647	135.06
2025	27,474	107.18
2026	17,691	-0.55

### 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](mailto: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](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



Bernadette Newman

**Customer Segment Leader**

**Small & Medium Enterprises Customer Segment**