



9 November 2021

[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your request received on 8 October 2021 under the Official Information Act 1982. You requested the following:

I would like to understand what work has been done to consider exempting time in MIQ for foreign tax residents against their 30 days in the country for the tax year? Have you considered this only leaves them with 16 days to see their friends and family after paying for the privilege to stay in MIQ?

The information you have requested is below.

A person will be tax resident in New Zealand if either of the following applies:

- They are present, on any part of a day, on 183 days or more in any 12-month period. Under this test, residence is backdated to the first day of the 183-day period, or
- They have a permanent place of abode (PPOA) in New Zealand. A PPOA is a place where the person normally lives in New Zealand; that is a "home". A PPOA does not have to be owned by the person.

A New Zealand tax resident individual will become a non-resident taxpayer if both of the following applies:

- They do not have a PPOA in New Zealand, and
- They are away from New Zealand for more than 325 days in any 12-month period. Part days are not counted towards the 325 days. The 325 days do not need to be consecutive.

If a person is a tax resident in New Zealand and another country, and New Zealand has entered into a double taxation agreement with that country, the treaty tiebreaker test will apply to determine which country the person is resident in for treaty purposes.

Further information on tax residence, and how residence affects the tax treatment of a person's income, is on our website: [International tax for individuals \(ird.govt.nz\)](https://www.ird.govt.nz/international-tax-for-individuals).

In response to the COVID-19 pandemic, Inland Revenue recognised that travel restrictions would have consequences for persons who were physically unable to leave New Zealand. As a result, the decision was made to not apply the 183- and 325-day count tests where a person was "stranded" in New Zealand, provided they left New Zealand within a

reasonable time once practically able to travel. A person who chooses to come to, or stay in, New Zealand is not able to access the concessional treatment of days of presence in New Zealand. An explanation of the concessional treatment has been published on our website: [COVID-19 International \(ird.govt.nz\)](https://www.ird.govt.nz/covid-19-international).

In response to queries raised with Inland Revenue, we have considered whether days in MIQ should be the subject of a further concessional treatment. Taxpayer confidentiality requirements imposed by section 18 of the Tax Administration Act 1994 mean that we cannot share the details of those queries with you. However, we can confirm that we did not consider that an expanded concession was justified as:

- The existing residence rules permit a non-resident person to be in New Zealand for up to 183 days before they become a New Zealand tax resident; and
- If a person already has a PPOA in New Zealand, time spent in MIQ is minor when considering the person's overall residence position.

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.

Thank you for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Paul Kilford
Policy Lead, International