



18 November 2022

Dear [REDACTED]

Thank you for your further request made under the Official Information Act 1982 (OIA), received on 21 October 2022. You requested the following:

1. *The figures for total income tax debt as at 30 June 2021 and 30 June 2022 as disclosed in IR's annual report for 2022 broken down to show:*
 - (a) *the total amount of income tax debt relating to taxpayers issued with default assessments and late filing penalties;*
 - (b) *the total amount of income tax debt relating to taxpayers who received automatic assessments and/or filed an IR3 or IR4 tax return; (this is to confirm that understanding of the information provided in the first response is correct)*
 - (c) *The total amount of income tax debt – if any - relating to other taxpayers*
2. *The amounts in 1(a) above – for the avoidance of doubt, this is the tax debt arising from default assessments and late filing penalties - broken down to show for individuals and limited companies*
 - i) *the total number of taxpayers in this category with income tax debt;*
 - ii) *current tax agent status;*
 - iii) *income debt balances of taxpayers in increments of \$1000 up to \$10,000 and then by increments of \$5,000 from \$10,001 to \$25,000;*
 - iv) *Income tax debt balances by region*

Information being released

The information you have requested is detailed in the tables in the Appendix. Caveats and further information regarding the provided data is also included. Rounding has been applied to figures in order to align with Inland Revenue's 2022 Annual Report.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely

[REDACTED]
Richard Philp
Customer Segment Leader
Micro Business Customer Segment

Appendix

Question 1¹

Income Tax Debt - Year Ending 30 June 2021			
Customer Type	Total Debt (return filed)	Total debt (no return filed)	Total
Individual	\$1,044.0m	\$32.0m	\$1,076.0m
Company	\$433.9m	\$10.8m	\$444.7m
Other	\$54.6m	\$9.8m	\$64.3m
Total	\$1,532.5m	\$52.5m	\$1,585.0m

Income Tax Debt - Year Ending 30 June 2022			
Customer Type	Total Debt (return filed)	Total debt (no return filed)	Total
Individual	\$1,165.0m	\$34.9m	\$1,199.9m
Company	\$511.7m	\$11.7m	\$523.5m
Other	\$58.4m	\$9.3m	\$67.7m
Total	\$1,735.1m	\$56.0m	\$1,791.1m

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- Other entities include all entities that are not Individuals or Companies e.g., clubs and trusts.
- Income Tax Debt balances includes all debt across all historical periods where a debt still exists.
- The "return filed" category includes all debt (including assessment, penalties, interest, overpayments) where a return has been received and an assessment is in place
- The "no return filed" category includes debt that relates to income tax where a return has not been filed, and mainly includes default assessments and late filing penalties, though other elements can exist e.g., late payment penalties on a default assessment.
- The debt balances shown are aligned with the reporting methodology used for the Annual Report

Question 2(i) and 2(ii)

Income Tax Debt - Year Ending 30 June 2021 by Agent Status						
Customer Type	Customers with Tax Agent ²		Customers without Tax Agent		Total	
	# Customers	Debt Value	# Customers	Debt Value	# Customers	Debt Value
Individual	69.8k	\$540.7m	199.5k	\$535.3m	269.3k	\$1,076.0m
Company	18.8k	\$346.0m	28.4k	\$98.7m	47.2k	\$444.7m
Other	2.4k	\$26.7m	0.6k	\$37.6m	3.0k	\$64.3m
Total	91.0k	\$913.4m	228.6k	\$671.6m	319.5k	\$1,585.0m

Income Tax Debt - Year Ending 30 June 2022 by Agent Status						
Customer Type	Customers with Tax Agent		Customers without Tax Agent		Total	
	# Customers	Debt Value	# Customers	Debt Value	# Customers	Debt Value
Individual	89.2k	\$626.6m	229.6k	\$573.3m	318.7k	\$1,199.9m
Company	23.9k	\$438.8m	29.7k	\$84.7m	53.6k	\$523.5m
Other	2.5k	\$35.0m	0.9k	\$32.8m	3.4k	\$67.7m
Total	115.7k	\$1,100.4m	260.1k	\$690.7m	375.8k	\$1,791.1m

² Customers are counted as having a tax agent if they had a valid tax agent link as at 30 June of each respective year.

Question 2(iii)³

Income Tax Debt - Year Ending 30 June 2021 by Debt Balance		
Debt Bracket	# Customers	Debt Value
Under 1k	253.1k	\$50.3m
\$1k-\$2k	16.0k	\$23.0m
\$2k-\$3k	8.9k	\$22.0m
\$3k-\$4k	5.9k	\$20.4m
\$4k-\$5k	4.6k	\$20.4m
\$5k-\$6k	3.5k	\$19.2m
\$6k-\$7k	2.6k	\$16.9m
\$7k-\$8k	2.2k	\$16.3m
\$8k-\$9k	1.8k	\$15.7m
\$9k-\$10k	1.6k	\$15.2m
\$10k-\$15k	5.5k	\$67.8m
\$15k-\$20k	3.2k	\$55.2m
\$20k-\$25k	2.3k	\$51.1m
\$25k+	8.2k	\$1,191.4m
Total	319.5k	\$1,585.0m

Income Tax Debt - Year Ending 30 June 2022 by Debt Balance		
Debt Bracket	# Customers	Debt Value
Under 1k	294.4k	\$59.3m
\$1k-\$2k	20.2k	\$29.0m
\$2k-\$3k	11.2k	\$27.5m
\$3k-\$4k	7.6k	\$26.4m
\$4k-\$5k	5.5k	\$24.6m
\$5k-\$6k	4.2k	\$23.2m
\$6k-\$7k	3.1k	\$20.3m
\$7k-\$8k	2.6k	\$19.9m
\$8k-\$9k	2.3k	\$19.1m
\$9k-\$10k	1.9k	\$17.8m
\$10k-\$15k	6.5k	\$80.0m
\$15k-\$20k	3.9k	\$68.3m
\$20k-\$25k	2.5k	\$55.5m
\$25k+	9.8k	\$1,320.4m
Total	375.8k	\$1,791.1m

³ Some customers may have debt spanning more than one tax year – the band they are in is relative to their total debt balance across all tax years

Question 2(iv)⁴

Income Tax Debt - Year Ending 30 June 2021 by Region		
Region	# Customers	Debt Value
Auckland	121.3k	\$611.1m
Bay of Plenty	17.2k	\$55.2m
Canterbury	31.8k	\$116.1m
Gisborne	2.7k	\$6.4m
Hawkes Bay	10.4k	\$61.2m
Manawatu-Wanganui	10.9k	\$40.8m
Marlborough	2.4k	\$6.9m
Northland	11.0k	\$33.6m
Otago	11.9k	\$35.0m
Southland	4.1k	\$10.8m
Taranaki	5.3k	\$20.9m
Tasman	4.7k	\$14.2m
Waikato	27.8k	\$115.7m
Wellington	25.3k	\$310.4m
West Coast	1.8k	\$4.6m
Unknown/Other	31.0k	\$142.2m
Total	319.5k	\$1,585.0m

Income Tax Debt - Year Ending 30 June 2022 by Region		
Region	# Customers	Debt Value
Auckland	142.6k	\$699.6m
Bay of Plenty	21.2k	\$69.1m
Canterbury	37.8k	\$134.8m
Gisborne	3.4k	\$8.0m
Hawkes Bay	12.7k	\$70.5m
Manawatu-Wanganui	13.4k	\$47.9m
Marlborough	2.8k	\$7.4m
Northland	13.3k	\$37.4m
Otago	13.9k	\$40.5m
Southland	4.9k	\$13.6m
Taranaki	6.3k	\$24.9m
Tasman	5.7k	\$16.7m
Waikato	33.5k	\$138.8m
Wellington	29.6k	\$346.5m
West Coast	2.1k	\$5.2m
Unknown/Other	32.7k	\$130.0m
Total	375.8k	\$1,791.1m

⁴ Regional information is based on information we currently hold. Unknown/Other could include customers with an overseas, invalid, or an incorrectly formatted address.