



28 October 2022

Dear [REDACTED]

Thank you for your email of 25 October 2022, regarding our response of 14 October 2022 to your Official Information Act 1982 (OIA) request, received on 19 September 2022. We apologise for the error in our previous response, and have updated the information.

Further to your request of 28 July 2022, you requested:

*Thank you once again, for the helpful information you've provided to support my provisional tax training. Now I'm keen to get a further picture of the total tax collected under each provisional tax method:*

- 1) *Standard*
- 2) *Estimation*
- 3) *Accounting Income Method*
- 4) *GST ratio method.*

*I appreciate that 2022 is still being filed, so I would appreciate the numbers for the 2020 and 2021 tax-years' respectively. In terms of tax collected, I'm interested in the **total** value of tax payable (provisional tax + terminal tax) – **excluding** any taxpayers who were in a loss or were not above the provisional tax threshold. I think the best indicator would be the combined Residual Income Tax figure for the provisional taxpayers under this method.*

The information you requested is provided in Table 1 and Table 2 below.

**Table 1: Information for 2019–20 tax year** excluding taxpayers who were in a loss or were not above the provisional tax threshold (\$2,500)

Provisional Tax Method	Number of Taxpayers	RIT Value	%
Standard Option	322,348	\$16,075,286,865	88.76%
Estimation Option	24,784	\$1,929,757,564	10.66%
Accounting Income Method (AIM)	999	\$38,863,597	0.21%
Ratio Option	1,480	\$67,290,029	0.37%
<b>Total</b>	<b>349,611</b>	<b>\$18,111,198,055</b>	<b>100%</b>

**Table 2: Information for 2020–21 tax year** excluding taxpayers who were in a loss or were not above the provisional tax threshold (\$5,000)

Provisional Tax Method	Number of taxpayers	RIT Value	%
Standard Option	236,816	\$19,179,197,253	88.68%
Estimation Option	19,404	\$2,323,508,579	10.74%
Accounting Income Method (AIM)	1,071	\$54,579,411	0.25%
Ratio Option	1,345	\$72,145,845	0.33%
<b>Total</b>	<b>258,636</b>	<b>\$21,629,431,088</b>	<b>100%</b>

The provisional tax threshold changed from \$2,500 to \$5,000 from the 2020–21 tax year, to lower compliance costs for smaller taxpayers and allow them to retain cash for longer. You can read more on our website at [Provisional tax \(ird.govt.nz\)](https://www.ird.govt.nz/provisional-tax).

### Publishing OIA responses

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

Thank you for your request.

Yours sincerely



Estelle Le Lievre  
**Domain Lead, Performance and Reporting**