



30 October 2025

[REDACTED]  
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), transferred to Inland Revenue from the office of the Minister of Revenue, on 1 October 2025. You requested the following:

*how much the government has "mafia styled" taken from NZ companies since these penalties began and the legal framework that has allowed the IRD to just make and take penalty fees without due cause.*

In 2,759,676 instances, approximately \$635 million has been applied in late filing penalties on employer obligations since 1 April 2020. Data on earlier periods is not readily available as Inland Revenue had a change in its tax administration systems. Accordingly, I am refusing this part of your request under section 18(g)(i) of the OIA, as the information is not held by Inland Revenue and I have no grounds for believing it is held by another department.

These penalties were imposed under section 139A of the Tax Administration Act 1994. Inland Revenue's standard practice statement *SPS 19/04 Late filing penalties*, available on Inland Revenue's tax technical website ([taxtechnical.ird.govt.nz](http://taxtechnical.ird.govt.nz)), explains in more detail the reasons for the penalty being applied on certain returns. In particular, the purpose of the penalty, which is to promote voluntary compliance and to ensure penalties for breaches are imposed impartially and consistently. The penalties also cover costs related to following up outstanding returns.

It is recognised that there are times when the late filing of a return is outside of the control of the employer and a penalty is not applied in every instance of late filing. However, once a penalty has been applied, the legislation contains discretion for remission to be considered on an individual case by case basis, if requested. Remission will only be granted if the customer has taken steps to rectify the situation as soon as practical and has put steps in place to avoid missing future filing dates.

It may be of interest for you to know that as at 30 June 2025, 96.4% of customers across all revenue types had filed their returns on time. New Zealand's tax system is reliant on the majority of people meeting their tax obligations in full and on time. Sanctions are applied within the legislation to both encourage voluntary compliance but also so those that do comply can see that those that do not are penalised.

I encourage you to meet your obligations in full and on time to avoid future penalties. If you are unable to do so due to circumstances beyond your control, please send a message via myIR so that Inland Revenue can consider the appropriate course of action.

I trust my comments and the details in the SPS 19/04 are of assistance to you.

**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).

Yours sincerely



Keith Nicol

**Segment Management Lead, Micro Business**