

16 September 2026

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 24 August 2026. You requested the following:

- 1. Of SBCS loans written off for reasons other than insolvency, how many/what percentage related to businesses that were still actively trading at the time of write-off?*
- 2. Of all SBCS write-offs, what percentage were full write-offs of the remaining loan balance, rather than partial write-offs?*
- 3. For SBCS loans that were fully written off, what percentage of these had previously made repayments towards the loan?*
- 4. How many SBCS borrowers who received a full or partial write-off also had other IRD debt (ie GST or income tax) written off within 12 months before or after the SBCS write-off?*
- 5. How many SBCS loans were written off specifically on serious hardship grounds where the business was not insolvent, and how many of those businesses continued operating afterwards?*
- 6. For non-insolvency write-offs, what were the main factors considered by Inland Revenue when deciding to write off the debt under s176(2) or s176A(2) of the Tax Administration Act?*

Item 1: Of SBCS loans written off for reasons other than insolvency, how many/what percentage related to businesses that were still actively trading at the time of write-off?

There were 1,834 SBCS accounts where a write off was approved for reasons other than insolvency. Of this number, 212 were still actively trading at the time of write-off.

Item 2: Of all SBCS write-offs, what percentage were full write-offs of the remaining loan balance, rather than partial write-offs?

The total number of SBCS accounts where a write off was approved is 4,702 (excluding small balance offsets¹).

¹ Inland Revenue has the authority to offset or write-off small balances under \$20 under section 174AA of the Tax Administration Act 1994.

The total number of accounts where a full write off of the remaining balance was approved was 4,436 representing 94.3% of all SBCS write offs.

The number of SBCS accounts where a write off had been approved (4,702) is 3.1% of all SBCS loans approved (151,559).

The total value of SBCS loans is \$2,363.4m and the value of approved full write-offs of the remaining loan balance for SBCS is \$86.6m which represents 3.67% of the total SBCS value.

Item 3: For SBCS loans that were fully written off, what percentage of these had previously made repayments towards the loan?

Of the 4,436 accounts where a full write off was approved, a total of 1,982 loans (44.7%) had one or more repayments made against the loan prior to write-off.

Item 4: How many SBCS borrowers who received a full or partial write-off also had other IRD debt (ie GST or income tax) written off within 12 months before or after the SBCS write-off?

Of the 4,702 accounts where a write-off was approved, 3,870 SBCS borrowers who received a full or partial write-off of their SBCS loan also had other debt with Inland Revenue written off within 12 months either side of the SBCS write off.

This includes deceased estates and insolvent customers and only covers Income Tax, Employer Activities and GST debt.

Item 5: How many SBCS loans were written off specifically on serious hardship grounds where the business was not insolvent, and how many of those businesses continued operating afterwards?

There were 356 SBCS loans where a write-off was approved under serious hardship grounds. Of this number, 33 were still actively trading at the time of write-off.

Item 6: For non-insolvency write-offs, what were the main factors considered by Inland Revenue when deciding to write off the debt under s176(2) or s176A(2) of the Tax Administration Act?

For non-insolvency write-offs, Inland Revenue considers each case on its individual facts and circumstances. The main factors considered include the customer's financial position, their ability to pay now and in the future, whether recovery action would be effective or economic, and whether requiring payment would place the customer in serious hardship. Inland Revenue may also consider the customer's compliance history, the nature and age of the debt, any repayment options available, and whether writing off the debt is consistent with its statutory debt collection powers.

Inland Revenue's approach to financial relief and write-off decisions is explained in our *Standard Practice Statement SPS 18/04: Options for relief from tax debt*. This statement sets out the factors Inland Revenue may consider when deciding whether relief from debt is appropriate.

You can find the Standard Practice Statement at the following link:

- www.taxtechnical.ird.govt.nz/-/media/project/ir/tt/pdfs/standard-practice-statements/returns-and-debt-collection/sps18-04.pdf?modified=20200316221608

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (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



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