

21 September 2026

[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 11 September 2026. You requested the following:

This is a follow-up to your response 26OIA1850 (4 February 2026), which provided residential rental deductions by taxpayer group for the 2019-20 to 2023-24 income years. For the same taxpayer groups, the same years and the same basis as that response, please provide:

1. Total gross residential rental income for:
 - (a) all taxpayers claiming residential deductions on their income tax return;
 - (b) those also filing an IR3R and no IR10;
 - (c) those also filing an IR10 and no IR3R;
 - (d) those filing both an IR3R and an IR10.
2. The number of IR3R forms filed by groups (b) and (d).

Information being released

The information you have requested has been provided as an **Appendix**, attached.

The information provided is prepared on the same basis as that used in my response to 26OIA1850, dated 4 February 2026, using data available in Inland Revenue systems as at 14 September 2026. To enable consistent analysis of this information, I have updated the values that were provided in response to 26OIA1850 to reflect new and updated returns. I have also included data for the 2024-25 income year.

As noted in my response to 26OIA1850, Inland Revenue requires taxpayers to report their total residential rental deductions on their income tax returns. The attached appendix contains a count of how many taxpayers have reported non-zero current year deductions and the total value of these deductions for the income years 2019-20 to 2024-25. For your reference, this value is key point 22E on the 2025 IR3 tax return and equivalent fields in other income tax returns. In response to your request, the appendix now also shows the total gross residential rental income for those taxpayers who have reported non-zero current year deductions. This value is keypoint 22A on the 2025 IR3 tax return and equivalent fields in other income tax returns.

Information provided on the income tax return does not give a breakdown of these deductions, but taxpayers are asked to provide a breakdown using either the IR3R Rental Income form or the *IR10 Financial Statements Summary*. Neither of these forms are compulsory so there is not complete coverage. Information provided on the IR10 is not restricted to residential rental expenses where a business engages in more than residential rental activity.

The appendix provides a breakdown of expenses reported on the IR3R and IR10 where one has been completed by a taxpayer who reported residential deductions on their income tax return. The data is split between those who provided no additional information, those who filed an IR3R, those who filed an IR10, and those who filed both an IR3R and an IR10. As noted above, neither of these forms are compulsory and they are not used in the calculation of the taxpayer's income tax assessment. There may be discrepancies between information provided on the income tax return and the IR3R and IR10.

Please note, in 2019-20 and 2020-21 the total expenses value calculated on the IR3R included total interest expense on residential property, while from 2021-22 onwards only the interest expense claimed was included in the total.

A count of the number of IR3R forms submitted by taxpayers reporting non-zero current year residential deductions is also provided for each year as requested.

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



Sandra Watson
Policy Lead, Forecasting and Analysis

Appendix

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Taxpayers claiming residential deductions on their income tax return						
Count	243,380	309,510	330,280	337,150	348,780	361,460
Total residential deductions (\$M)	5,889.0	7,062.4	7,044.5	7,722.6	8,505.7	11,082.4
Total gross residential rental income (\$M)	6,717.6	8,962.4	10,398.8	11,348.4	12,443.4	13,144.9
<i>For those taxpayers not filing a supplementary return</i>						
Count	110,530	143,660	155,340	158,490	160,090	164,930
Total residential deductions (\$M)	2,369.8	2,855.9	2,841.9	3,119.4	3,345.9	4,351.0
Total gross residential rental income (\$M)	2,613.6	3,566.4	4,155.9	4,550.4	4,871.8	5,114.9
<i>For those taxpayers also filing an IR3R and no IR10</i>						
Count	37,360	44,660	49,100	52,130	55,450	59,880
Number of IR3R forms filed	43,620	56,140	61,580	64,980	69,140	74,850
Total residential deductions (\$M)	699.6	748.1	752.2	844.7	965.0	1,338.9
Total gross residential rental income (\$M)	801.9	953.8	1,116.4	1,258.7	1,426.3	1,570.9
<u>IR3R fields (\$M):</u>						
Total interest	359.5	349.3	323.2	442.1	646.1	853.1
Interest expense claimed	n/a	n/a	265.2	318.6	350.9	674.6
Rates	97.0	109.9	132.7	147.9	168.9	195.8
Insurance	50.3	62.6	68.5	81.8	99.7	117.2
Agent's collection fees	38.9	45.8	49.1	52.7	60.8	70.8

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Depreciation	664.4	110.1	90.8	92.8	114.5	98.9
Repairs and maintenance	107.2	126.6	146.5	153.5	171.1	179.0
Other	61.9	75.6	84.4	93.4	110.8	123.5
Total expenses	1,379.3	879.9	837.2	940.7	1,076.6	1,459.8
<i>For those taxpayers also filing an IR10 and no IR3R</i>						
Count	92,580	118,200	122,710	123,450	130,130	133,490
Total residential deductions (\$M)	2,753.2	3,395.3	3,390.4	3,692.9	4,126.1	5,301.6
Total gross residential rental income (\$M)	3,226.1	4,365.1	5,038.8	5,445.5	6,045.2	6,354.3
<u>IR10 fields (which include other activity) (\$M):</u>						
Bad debts	2.2	3.5	3.3	11.0	19.0	11.5
Accounting depreciation	228.4	372.9	428.0	481.1	522.0	482.4
Insurance	215.0	293.1	327.2	371.7	451.2	509.0
Interest expense	1,438.8	1,579.8	1,480.3	1,915.7	2,439.1	3,186.8
Professional and consulting fees	202.9	279.8	318.0	342.7	370.8	410.7
Rates	367.1	504.8	583.0	637.4	716.6	807.9
Rental, lease and licence payments	106.2	151.5	173.4	190.0	196.9	217.1
Repairs and maintenance	458.4	668.2	711.4	746.1	830.6	843.9
Research and development	3.1	2.3	3.0	5.2	2.7	2.6
Associated persons' remuneration	122.6	205.5	269.1	265.0	278.5	319.4
Salaries and wages	205.2	328.2	388.6	453.4	482.1	530.8

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Contractor payments	105.6	131.9	159.0	161.1	209.3	203.2
Other expenses	953.4	1,354.1	1,660.3	2,000.3	2,274.6	2,365.0
Total expenses	4,408.8	5,875.6	6,504.4	7,580.9	8,793.3	9,890.2
<i>For those taxpayers additionally filing both an IR10 and an IR3R</i>						
Count	2,900	3,000	3,130	3,080	3,120	3,170
Number of IR3R forms filed	3,510	4,010	4,180	4,150	4,290	4,350
Total residential deductions (\$M)	66.5	63.1	60.0	65.6	68.7	90.9
Total gross residential rental income (\$M)	76.0	77.2	87.8	93.8	100.1	104.9
<u>IR3R fields (\$M):</u>						
Total interest	34.3	29.5	24.3	31.1	44.3	54.9
Interest expense claimed	n/a	n/a	20.6	22.4	24.6	44.7
Rates	8.4	8.7	10.0	10.4	11.3	12.8
Insurance	4.6	4.8	5.4	5.7	6.7	7.5
Agent's collection fees	13.1	3.3	3.5	3.4	3.6	4.1
Depreciation	11.1	8.9	6.8	5.4	4.8	16.1
Repairs and maintenance	9.9	11.0	11.5	11.8	12.4	11.6
Other	6.9	6.8	8.2	7.9	8.5	9.0
Total expenses	88.3	73.0	66.1	67.0	71.8	105.8
<u>IR10 fields (which include other activity) (\$M):</u>						
Bad debts	0.0	0.1	0.1	0.1	0.2	0.6

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Accounting depreciation	4.9	5.9	5.9	6.3	7.1	5.9
Insurance	4.0	4.1	4.6	4.9	5.8	6.0
Interest expense	23.0	20.9	14.9	17.0	22.9	30.3
Professional and consulting fees	3.4	3.3	3.9	4.2	11.1	3.8
Rates	6.0	5.7	6.7	6.4	7.3	8.1
Rental, lease and licence payments	3.6	4.3	3.9	4.8	4.3	4.7
Repairs and maintenance	7.7	8.2	8.1	8.2	9.7	9.4
Research and development	0.1	0.5	0.2	0.2	0.2	0.2
Associated persons' remuneration	1.2	1.3	2.3	2.4	3.2	2.6
Salaries and wages	5.6	4.3	5.4	7.5	11.9	4.3
Contractor payments	28.3	3.4	5.9	6.1	5.7	4.8
Other expenses	24.2	22.5	25.0	26.7	32.6	27.2
Total expenses	111.9	84.6	86.9	94.6	122.0	107.7