



12 April 2024

[REDACTED]  
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 7 March 2024. You requested the following:

*Can I please see your full policy for minimum repayments on overdue income tax? I have been told that generally the minimum is \$20 per week, but that on occasion it can be lowered to \$10 a week. I would like to see your full policy for this please, including the official policy for why lower payment amounts can't be accepted.*

### **Information being refused**

There are no specific policies for the minimum repayments on overdue income tax. Your request is therefore refused under section 18(e) of the OIA, as the document alleged to contain the information requested does not exist.

While there are no specific policies, I can provide some further information about how Inland Revenue considers repayment proposals for \$20 or \$10 per week. The minimum repayment figure of \$20 per week is used as a form of guidance to ensure customers are not being put into a position of hardship when agreeing to an Instalment Arrangement. If a customer cannot pay \$20 per week or clear the debt within three years while meeting their minimum living expenses, they may qualify for serious hardship and Inland Revenue will need to consider whether accepting a proposal is the correct thing to do.

Inland Revenue's *Standard Practice Statement 18/04 Options for relief from tax debt* states:

*While there is no legislative time limit for the term of an instalment arrangement, Inland Revenue's practice is that instalment arrangements are made for as short a period as possible – generally no more than 2-3 years.*

The full statement is available on Inland Revenue's tax technical website and can be found at [taxtechnical.ird.govt.nz/-/media/project/ir/tt/pdfs/standard-practice-statements/returns-and-debt-collection/sps18-04](https://taxtechnical.ird.govt.nz/-/media/project/ir/tt/pdfs/standard-practice-statements/returns-and-debt-collection/sps18-04).

This approach aligns with Section 177B of the Tax Administration Act 1994 (TAA) which includes the following:

- 1) The commissioner must not enter into an instalment arrangement with a taxpayer or a relief company to the extent that the arrangement would place the taxpayer, being a natural person, in serious hardship.
- 2) The Commissioner may decline to enter into an instalment arrangement if-
  - a. To do so would not maximise the recovery of outstanding tax from the taxpayer; or
  - b. The Commissioner considers that the taxpayer is in a position to pay all of the outstanding tax immediately; or
  - c. The taxpayer is being frivolous or vexatious; or
  - d. The taxpayer has not met their obligations under a previous instalment arrangement.

### **Right of review**

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: [CommissionersCorrespondence@ird.govt.nz](mailto:CommissionersCorrespondence@ird.govt.nz).

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz).

If you choose to have an internal review, you can still ask the Ombudsman for a review.

### **Publishing of OIA response**

We intend to publish our response to your request on Inland Revenue's website ([www.ird.govt.nz](http://www.ird.govt.nz)) as this information may be of interest to other members of the public. This letter, with your personal details removed, will 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 for your request.

Yours sincerely



Matthew Prince

**Segment Management Lead**