



17 December 2024

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 20 November 2024. You requested the following (numbered for ease of response):

*I am writing to request information under the Official Information Act regarding the trusts registered with IRD. Specifically, I am interested in the following:*

- 1. The total number of trusts registered with the IRD for the purpose of paying trust tax.*
- 2. The total amount collected annually by the IRD from trust taxes.*
- 3. If available, the average trust income in New Zealand.*
- 4. If available, the median trust income in New Zealand.*

#### **Item 1: Number of trusts registered with Inland Revenue**

Inland Revenue is not a registrar of trusts. To source the information you have requested, we have calculated the number of trusts registered with Inland Revenue as the number of trusts that have applied for an Inland Revenue number as of 3 December 2024, less the number of trusts recorded in our systems as having ceased. The number of trusts registered with the IRD as at 3 December 2024 is 391,700. Please note that the information provided is not intended to reflect the actual number of trusts in New Zealand, as trusts are only required to apply for an Inland Revenue number if they have taxable income or if they have undertaken a property transaction. This number also excludes estates.

#### **Item 2: Annual income tax paid by trusts**

Income earned by trusts can be allocated to the trust and taxed at the trustee tax rate or distributed to beneficiaries and taxed at the marginal tax rate of the recipient. The amount of income tax paid by trusts for the year ended 31 March 2023 totalled \$4,853 million. This total excludes estates and is calculated as income attributed as trustee income, less expenses and losses claimed, multiplied by the trustee income tax rate of 33 percent for the 2023 tax year.

The total has not netted off any taxes paid or withheld as overseas tax, imputation credits, or resident withholding taxes on interest and dividends. The total also excludes any tax payable on income distributed to beneficiaries as beneficiary income.

### Items 3 and 4

Inland Revenue does not hold information on average and median trust income in New Zealand. Trusts are only required to apply for an Inland Revenue number if they have taxable income or if they have undertaken a property transaction. Furthermore, trusts with income under \$1,000 can register as a non-active trust and are not required to file a tax return. Your request for information relating to average and median trust income in New Zealand in questions 3 and 4 is therefore refused under section 18(g) of the OIA, as the information is not held by Inland Revenue and we do not believe that this information is held by another agency.

We do, however hold information on average and median incomes of trusts that have filed a 2023 tax return. In the 2023 tax year, 212,100 trusts have filed a tax return, which includes 59,600 trusts that have filed a tax return with nil income. The average and median income of those is outlined in the table below:

Average and median incomes of trusts that filed 2023 tax return	Total (\$)
Average trust income declared on 2023 tax returns:	
• All trusts	<b>\$93,800</b>
• Trusts with income greater than \$0	<b>\$151,100</b>
Median trust income declared on 2023 tax returns:	
• All trusts	<b>\$5,100</b>
• Trusts with income greater than \$0	<b>\$25,100</b>

Please note that to determine the average and median income declared by trusts who filed a tax return in 2023, we have calculated their income as the total of income declared as trustee income, less any expenses and losses claimed, plus any income attributed to beneficiaries. Figures have been rounded to the nearest \$100.

More information about trusts and estates can be found on Inland Revenue's website at <https://www.ird.govt.nz/about-us/tax-statistics/revenue-refunds/trusts-and-estates-statistics>

### 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 ([ird.govt.nz](http://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



Chris Fitzgerald

**Policy Advisor (L3), Forecasting and Analysis**