



28 February 2024

[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 6 February 2024. You requested the following:

1. *Could I get the full report written at David Parker's request, which showed that the richest families paid only 9% tax?*
2. *The following information, which I assume would have formed part of the analysis done for the above report.*
  - *The percentage of income paid as Income Tax by decile.*
  - *Estimate of the percentage of income paid as GST by decile.*
  - *Estimate of the percentage of income paid – total direct and indirect taxes by decile.*
3. *Copy of report released to Thomas Coughlan of the New Zealand Herald on taxation fairness.*
4. *Has New Zealand signed up for the OECD BEPS Pillar One, which I understand would perhaps increase taxes paid by multinationals a little but involve giving up some rights?*
5. *If we have signed up for Pillar One, has this been ratified?*

#### **Item 1**

I have interpreted your request as referring to the High-Wealth Individuals Research Project Report (the Report) released in June 2023. Your request is refused under section 18(d) of the OIA, as the report is publicly available on Inland Revenue's website ([ird.govt.nz](http://ird.govt.nz)) or at [High-Wealth Individuals Research Project Report - April 2023](#).

#### **Item 2**

The information requested is publicly available on Inland Revenue's website ([ird.govt.nz](http://ird.govt.nz)) by searching for [Tax on taxable income datasets](#) and in chapter 14 and 4 of the Report respectively, consequently, your request is refused under section 18(d) of the OIA, as the report is publicly available.

Most of the data gathered for the purposes of the Report has since been destroyed in line with the Privacy Impact Statement issued for the project. All the information available has been

released and can be found on Inland Revenue's website ([ird.govt.nz](http://ird.govt.nz)) by searching for "High Wealth Individuals" and selecting the document library (data is provided in supplemental information).

### **Item 3**

I have interpreted your request as referring to the now repealed Taxation Principles Reporting Act 2023's draft report released on February 2024. Your request is refused under section 18(d) of the OIA, as the report is publicly available on Inland Revenue's tax policy website ([taxpolicy.govt.nz](http://taxpolicy.govt.nz)) or at [Taxation Principles Reporting Act: Annual Report](#).

### **Items 4 and 5**

Pillar One consists of two components: Amount A, which reallocates a portion of the super-profits of the world's largest companies to market countries (like New Zealand); and Amount B, which is a simplified method for transfer pricing a multinational's distribution activities.

Amount A has not yet been finalised. The OECD is hoping to agree a text in March this year, with a signing ceremony of the resulting treaty in June. However not all issues have yet been agreed, consequently, as Pillar One Amount A has not been finalised yet, no country has signed up to it.

Amount B was finalised on 19 February 2024 by way of an update to the OECD's transfer pricing guidelines – for more information see the OECD press release which can be found on the OECD website ([oecd.org](http://oecd.org)) by searching for "Release of Amount B report". Amount B is optional for countries to apply. While Inland Revenue will respect another country's choice to apply Amount B for its own distributors, Inland Revenue will not be applying Amount B to New Zealand resident distributors. This is because Amount B's simplified pricing method does not produce an arm's length outcome for the New Zealand market.

Accordingly, there is no treaty to sign or ratify. New Zealand has agreed to the update but will not choose to adopt Amount B here for the reasons stated above.

### **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



Felicity Barker

**Policy Lead - Economics**