



3 February 2025

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 13 December 2024. You requested the following:

- 1. total number of persons assessed as receiving income under sCB6 of the Income Tax Act 2007 per year since 2007*
- 2. total number of sales of non-residential land over the same period*
- 3. any information on the assessment process before investigating such sales further for non-compliance with sCB6 (such as indicators for further investigation which would suggest intent to dispose) To be clear, this includes informal representations if documented or extant; for example, I am aware that in 2015 'investigators in Inland Revenue report [internally] this means that the scale of transactions has to be close to that of a business before they can be certain that the land sale rules apply' and would request such information also, rather than only formal policies.*
- 4. total numbers of employees in the 'Property Compliance Team' of IRD or its renamed equivalents per year since 2007*
- 5. any information indicating an awareness of ministerial or political prioritisation or direction of resources within IRD for or against compliance efforts with regard to part CB or capital gains or intention to dispose in general. (For example, a 2024 RIS includes the assertion that 'The Government is concerned that the current 10-year bright-line test treats a very wide group of investment property owners as property speculators.' I would include the means by which this concern was transmitted within the scope of my request.)*
- 6. any internal response directly or indirectly generated by claims that capital gains taxes do not apply in New Zealand --- for example, by the comments of Christopher Luxon on September 30, 2024 that 'we don't have capital gains taxes in New Zealand' or of Judith Collins on 11 September, 2018 that landlords were motivated by capital gains and would not be purchasing rental properties without them (and therefore presumably an intent to dispose) but should not, in the future, be taxed.*

Item 1

Section CB6 of the Income Tax Act 2007 (the Act) is one of several sections of the Act which taxes income from property sales. When returning income from a property sale, there is no requirement for taxpayers to disclose which section the income is being taxed under. Inland Revenue does not capture the number of persons that have been assessed as receiving income

under this specific section. Therefore, your request for the total number of persons assessed as receiving income under sCB6 of the Act per year since 2007 is refused under section 18(g) as the information is not held by Inland Revenue, and we do not believe it is held by another agency.

Item 2

The table below details the total number of property transfers for the 2007 to 2025 tax years. This information was provided to Inland Revenue by Land Information New Zealand. Please note that a transfer is representative of a title not a specific property, as certain properties may encompass multiple titles. A sale listed as 'Unknown' is where the property type was missing from the electronic data provided.

Table 1: Property transfers categorised by property type

Tax year ended	Non-residential	Residential	Unknown
31 March 2007	16,766	145,128	75,074
31 March 2008	16,694	113,486	68,299
31 March 2009	13,405	79,427	47,961
31 March 2010	12,112	91,686	50,853
31 March 2011	11,337	74,921	42,166
31 March 2012	15,322	109,367	27,233
31 March 2013	17,007	138,064	17,581
31 March 2014	19,120	151,280	8,920
31 March 2015	19,541	158,131	4,805
31 March 2016	20,458	191,254	3,925
31 March 2017	21,190	186,059	3,224
31 March 2018	20,682	161,706	1,516
31 March 2019	20,428	164,379	1,240
31 March 2020	19,685	167,985	912
31 March 2021	20,413	203,959	732
31 March 2022	22,659	171,601	502
31 March 2023	18,119	126,442	353
31 March 2024	16,273	132,619	156
31 March 2025*	10,353	87,319	85
Total	331,564	2,654,813	355,537

*As at 17 December 2024.

Item 3

Your request for information regarding the assessment process before investigating such sales further for non-compliance with sCB6 is refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of section 18(3) of the Tax Administration Act 1994 (TAA). The Commissioner of Inland Revenue is not required to disclose any item of revenue information if the release of the information would adversely affect the integrity of the tax system or prejudice the maintenance of the law.

Item 4

The table below details the number of full time equivalent (FTE) employees involved in the Property Compliance Programme.

Data for FTEs is only available from 1 July 2015 onwards, therefore your request for the number of FTEs in the Property Compliance Programme for the financial years ending 30 June 2007 to 30 June 2015 is refused under section 18(g) of the OIA, as the information is not held by Inland Revenue, and we do not believe it is held by another agency. Additionally, this information is not available for the 2018 financial year and Inland Revenue is not able to calculate this retrospectively as it would need to be created. Therefore, the information for this date is also refused under section 18(g) of the OIA.

As the 2025 financial year has not yet been completed, this is not provided in the table below.

Table 2: Property Compliance employees

Financial year ended	FTE
30 June 2016	102.0
30 June 2017	102.0
30 June 2018	-
30 June 2019	60.0*
30 June 2020	65.0*
30 June 2021	66.5
30 June 2022	24.9
30 June 2023	37.4
30 June 2024	44.5

* Please also note that the figures provided for the 2019 and 2020 financial years were not calculated for the end of the financial year but for 31 October 2019 and 31 October 2020 respectively.

Item 5

Your request for any information awareness of ministerial or political prioritisation or direction of resources within Inland Revenue for or against compliance efforts with regard to section CB or capital gains or intention to dispose in general is refused under section 18(g) of the OIA, as

the information is not held by Inland Revenue, and we do not believe it is held by another agency.

Item 6

Your request for any internal response directly or indirectly generated by claims that capital gains taxes do not apply in New Zealand is refused under 18(g) of the OIA, as the information is not held by Inland Revenue, and we do not believe it is held by another agency.

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.

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.

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) 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



Bernadette Newman

Customer Segment Leader

Small & Medium Enterprises Customer Segment