



24 February 2025

[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 29 January 2025. You requested the following:

What is the exact methodology for calculating the prescribed interest rates for fringe benefit tax? What triggers an update to the prescribed interest rates for fringe-benefit tax? Is this an error and if so, will you release a backdated update?

The Reserve Bank conducts a survey of floating first mortgage new customer housing interest rates on the last day of each month. This data is used as the benchmark for setting the FBT prescribed rate as it is a suitable indication of general market interest rates. Generally, the FBT prescribed interest rate is adjusted when there has been a change in the floating first mortgage new customer housing rate of 20 basis points or more.

The change is discretionary and may at times be delayed. When the rate is changed, it will usually apply from the start of the quarter in which it is changed.

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

[Redacted signature]

Claire McLellan
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