



7 July 2021

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982, received on 9 June 2021. You requested the following:

... update on the numbers below on the number of taxpayers using the different provisional tax methods.

It would also be great to know how many provisional taxpayers:

- 1) Use a tax agent; and*
- 2) Who have an extension of time.*

OIA request from 3 April 2020:

... how many taxpayers are using each type of provisional tax method.

That is:

- The Accounting Income Method*
- The Standard Option*
- The Estimation Option*
- The Ratio Option.*

Please see the table below for the number of taxpayers using each type of provisional method for the 2020-21 tax year.

Provisional Tax Method	Number of Taxpayers	%
Standard Option	292,719	84.35%
Estimation Option	50,242	14.48%
Accounting Income Method (AIM)	2,524	0.73%
Ratio Option	1,555	0.45%
Total	347,040	100%

The table below shows how many of the above taxpayers have an extension of time and how many use a tax agent.

Provisional Taxpayers	Number of Taxpayers	%
With an Extension of time	310,188	89%
Use a tax agent	315,809	91%

The overall population of provisional taxpayers in the 2020-21 tax year has decreased by 114,790 when compared with the 2019-20 tax year. A significant contributing factor for this decrease has been the change of provisional tax threshold from \$2,500 to \$5,000 which took effect from the 2020-21 tax year. For more information about this change, please refer to our website (<https://www.ird.govt.nz/covid-19/business-and-organisations/provisional-tax>).

Thank you again for your request.

Yours sincerely



Jo Glennie
Group Lead – Capability and Outcomes