



22 July 2022

[REDACTED]  
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 15 June 2022. You requested:

1. *How many companies, trusts and individuals are registered as being dairy farmers or dairy farms in 2022.*
2. *How much they paid in combined tax in 2022.*
3. *How many of them reported trading losses or profits grouped in bands of \$10,000. (i.e -\$20,000, -\$10,000, \$0, \$10,000, \$20,000 etc and the number within the reported income loss/profit band)*
4. *How many companies, trusts and individuals are registered as being in agriculture (arable farming, cropping etc), fishing (including aquaculture), forestry or/and horticulture in 2022.*
5. *How much total tax was paid in agriculture (arable farming, cropping etc), fishing (including aquaculture), forestry and horticulture in 2022.*
6. *Averages of the following: Tax paid by an unemployed beneficiary, tax paid by couple on the state pension, tax paid by single person on the average wage, tax paid by a single person earning \$100,000.*

On 23 June 2022 you clarified your request for the 2021-22 income year to the 2020-21 income tax data, as the data for the 2021-22 year will not be complete until mid-2023. Answers to your questions 1-5 are in the attached spreadsheet.

### Industry classification

Classification of a taxpayer into industries has been done using the industry classification (ANZSIC) data held by Inland Revenue. This data is incomplete and does not necessarily reflect the current industry for the taxpayer as it is not regularly updated. For example, an individual may have a "dairy farmer" industry classification but be retired or no longer working in that field. For questions 1,2,4, and 5, I have included information on non-primary sector industries and those for which we have no industry code to provide a sense of coverage. The figures for the identified industries should be considered as lower bounds.

The level 3 ANZSIC codes for agriculture have been interpreted as farming for the purposes of responding to your request. These codes are:

ANZSIC Level 3	Description
A011	Nursery and floriculture production
A012	Mushroom and vegetable growing
A013	Fruit and tree nut growing
A014	Grain, sheep and beef cattle farming
A015	Other crop growing

<b>ANZSIC Level 3</b>	<b>Description</b>
A016	Dairy cattle farming
A017	Poultry farming
A018	Deer breeding, farming
A019	Other livestock farming

### **Registrations (questions 1 and 4)**

In questions 1 and 4, you ask for the number of registered taxpayers with certain industry classifications. This is provided in Table 1 in tab "Q1,2,4,5" of the attached spreadsheet. The registration data in this table is a count of current taxpayer registrations broken down by industry, as at 22 June 2022. Dairy farmers are identified by the level 3 ANZSIC code 'A016'. An active registration does not necessarily imply that the customer is "active". As such, it is not a particularly meaningful metric if you are trying to capture active participation in an industry. To provide a more accurate representation of customers who are active, I have also included (in Table 2) the number of taxpayers who have filed income tax returns for the 2020-21 income year. Because partnerships and look-through companies file the same tax return, I have shifted the number of returns filed by look-through companies into the 'Companies' category to make it more consistent with registration data.

Please note that where the number of taxpayers in a category is below 20, this has been suppressed (marked "C") to protect taxpayer privacy. All counts of taxpayers are rounded to the nearest 10, including the totals, and the sum of the numbers in the columns may not match the reported totals due to this rounding and suppression. Dollar values are rounded to the nearest \$100,000 and expressed in \$millions.

### **Tax paid (questions 2 and 5)**

Information on income tax paid by industry and entity type is provided in Table 3 on tab "Q1,2,4,5". These figures are calculated using annual income tax returns. For companies this figure is residual income tax as declared on an IR4 or IR8 tax return. For trusts, the figure is calculated as trading profits (ignoring trading losses) allocated to beneficiaries or trustees, multiplied by average beneficiary or trustee rates. For partnerships and look-through companies, the tax figure is calculated as the income after expenses multiplied by average tax rates for individuals who received partnership or look-through company income. This average is calculated as if these income streams were the last dollar earned. Because partnerships and look-through companies file the same tax return, I have shifted the tax from look-through companies into the 'Companies' category to make it more consistent with registration data. The tax from look-through companies is captured in the "Companies" total reported in the table. For individuals, self-employment income, partnership income and/or shareholder salaries were taxed as if these income streams were the last dollar earned for the person.

### **Distribution of income (question 3)**

The distribution of incomes within the dairy farming industry (ANZSIC code A016) is provided in the attached spreadsheet on tab "Q3". The income that is being reported differs by entity:

- Companies: taxable income (which is net of any brought forward losses claimed) or income after expenses (for look through companies)
- Individuals: self-employment income or shareholder remuneration (which are measured before brought forward losses are claimed)
- Partnerships: income after expenses
- Trusts: business income
- Māori Authorities and Clubs/societies: taxable income.

Please note that where the number of taxpayers in a category is below 20, this has been suppressed (marked "C") to protect taxpayer privacy. All figures are rounded to the nearest 10, including the totals, and the sum of the numbers in the columns may not match the reported totals due to this rounding and suppression.

### **Average tax rates of people in various circumstances (question 6)**

In the examples below relating to recipients of Jobseeker Support and NZ Superannuation, it is important to note that people receiving these payments may be entitled to further support, including the Accommodation Supplement and Winter Energy Payment. Please refer to Work and Income's benefit and payment rates on their website (<https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2022.html>) for more details.

- a) **"Tax paid by unemployed beneficiary"**: The social support payments received by an "unemployed beneficiary" vary depending on the specific circumstances of the recipient. For the year ending 31 March 2023, a single person aged over 25 would receive Jobseeker Support payments of \$315.00 (net) or \$358.97 (gross) per week. The annual tax implied by these amounts is \$2,286.44, assuming there was no other income.
- b) **"Tax paid by couple on the state pension"**: NZ Superannuation payments vary depending on the specific circumstances of the person receiving them. For the year ended 31 March 2023 a married couple who both qualify will receive combined payments of \$712.22 (net, if taxed as main income) or \$817.32 gross. The annual tax on these payments, if taxed as main income) is \$5,465.20.
- c) **"Tax paid by a single person on the average wage"**: According to Statistics New Zealand, average weekly total earnings (ordinary time plus overtime) for both sexes and all industries was \$1,233.91 in the March quarter of 2022. This equates to annual income of \$64,163. This income would result in a tax liability of \$12,269. The person may also have to pay \$937 of ACC earner premium.
- d) **"Tax paid by a single person earning \$100,000"**: A single person earning \$100,000 would pay income tax of \$23,920. They may also have to pay ACC earner premium of \$1,460.

### **Publishing of OIA response**

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Sandra Watson  
**Policy Lead, Forecasting & Analysis**

**Table 1: Registrations**

		Companies	Individuals	Partnerships	Trusts	Maori Authorities	Clubs/ Societies
Dairy Farming	A016	10,360	27,980	7,720	3,780	50	20
Other Agriculture	A011,A012,A013,A014,A015,A017,A018,A019	17,990	63,840	21,230	7,470	260	110
<b>Total Agriculture</b>		<b>28,350</b>	<b>91,820</b>	<b>28,950</b>	<b>11,250</b>	<b>310</b>	<b>120</b>
Aquaculture	A020	7,220	16,850	2,470	590	20	110
Forestry and Logging	A030	340	470	70	30	C	C
Fishing, Hunting and Trapping	A041,A042	1,100	4,860	250	80	C	60
Forestry, Agriculture and Fishing Support Services	A051,A052	2,760	3,740	1,360	500	100	C
<b>Total Agriculture, Forestry and Fishing</b>		<b>39,770</b>	<b>117,740</b>	<b>33,100</b>	<b>12,440</b>	<b>450</b>	<b>300</b>
Other	All non-"A" industries	633,890	988,730	59,630	216,390	2,890	28,960
Unknown	Unknown	48,750	6,250,480	9,190	213,300	1,820	59,280
<b>Total</b>	<b>Total</b>	<b>722,410</b>	<b>7,356,950</b>	<b>101,910</b>	<b>442,130</b>	<b>5,150</b>	<b>88,550</b>

**Table 2: 2020-21 Return filers**

		Companies	Individuals with self employment income	Partnerships	Trusts	Maori Authorities	Clubs/ Societies
Dairy Farming	A016	8,400	6,160	6,020	1,850	40	C
Other Agriculture	A011,A012,A013,A014,A015,A017,A018,A019	14,190	13,340	17,420	3,370	200	20
<b>Total Agriculture</b>		<b>22,580</b>	<b>19,490</b>	<b>23,450</b>	<b>5,220</b>	<b>240</b>	<b>20</b>
Aquaculture	A020	270	90	60	C	C	C
Forestry and Logging	A030	2,130	780	1,110	140	90	C
Fishing, Hunting and Trapping	A041,A042	840	820	200	40	C	C
Forestry, Agriculture and Fishing Support Services	A051,A052	5,350	5,250	1,960	230	C	40
<b>Total Agriculture, Forestry and Fishing</b>		<b>31,170</b>	<b>26,440</b>	<b>26,770</b>	<b>5,640</b>	<b>360</b>	<b>70</b>
Other	All non-"A" industries	423,960	297,560	43,670	47,410	2,380	2,730
Unknown	Unknown	10,200	32,170	5,730	18,720	990	1,050
<b>Total</b>		<b>465,320</b>	<b>356,160</b>	<b>76,170</b>	<b>71,770</b>	<b>3,730</b>	<b>3,850</b>

**Table 3: 2020-21 Income Tax \$m**

		Companies and (estimated) look through company shareholders	Individuals with self employment income	Partners of partnerships (estimated)	Trustees or trust beneficiaries (estimated)	Maori Authorities	Clubs/ Societies
Dairy Farming	A016	394.4	147.4	195.0	82.4	4.4	0.0
Other Agriculture	A011,A012,A013,A014,A015,A017,A018,A019	257.5	135.3	147.6	77.6	7.4	0.0
<b>Total Agriculture</b>		<b>651.9</b>	<b>282.7</b>	<b>342.6</b>	<b>160.0</b>	<b>11.8</b>	<b>0.0</b>
Aquaculture	A020	3.3	1.2	0.8	0.4	0.0	0.0
Forestry and Logging	A030	93.5	11.4	97.6	18.1	0.1	0.0
Fishing, Hunting and Trapping	A041,A042	29.2	11.6	4.9	1.2	1.0	0.0
Forestry, Agriculture and Fishing Support Services	A051,A052	83.9	66.6	25.8	5.9	0.0	0.1
<b>Total Agriculture, Forestry and Fishing</b>		<b>861.7</b>	<b>373.6</b>	<b>471.8</b>	<b>185.6</b>	<b>13.0</b>	<b>0.1</b>
Other	All non-"A" industries	15,665.7	3,989.9	1,111.6	793.8	19.9	2.2
Unknown	Unknown	63.6	98.7	52.0	115.0	0.9	0.0
<b>Total</b>		<b>16,591.0</b>	<b>4,462.2</b>	<b>1,635.4</b>	<b>1,094.5</b>	<b>33.8</b>	<b>2.3</b>

Number of Dairy Farming entities with income in reported bands in the 2020-21 income year						
	Companies	Individuals	Partnerships	Trusts	Maori Authorities	Clubs/ Societies
< -\$200,000	60	C	20	C	C	C
-\$200,000 <= x < -\$100,000	80	C	50	C	C	C
-\$100,000 <= x < -\$90,000	C	C	C	C	C	C
-\$90,000 <= x < -\$80,000	C	C	C	C	C	C
-\$80,000 <= x < -\$70,000	C	C	C	C	C	C
-\$70,000 <= x < -\$60,000	C	C	20	C	C	C
-\$60,000 <= x < -\$50,000	30	C	30	C	C	C
-\$50,000 <= x < -\$40,000	50	C	40	C	C	C
-\$40,000 <= x < -\$30,000	50	30	50	C	C	C
-\$30,000 <= x < -\$20,000	70	40	80	C	C	C
-\$20,000 <= x < -\$10,000	100	70	180	30	C	C
-\$10,000 <= x < -\$0	320	170	360	90	C	C
<b>\$0</b>	<b>2,100</b>	<b>C</b>	<b>570</b>	<b>C</b>	<b>C</b>	<b>C</b>
\$0 < x <= \$10,000	700	370	470	160	C	C
\$10,000 < x <= \$20,000	410	330	290	120	C	C
\$20,000 < x <= \$30,000	200	340	270	80	C	C
\$30,000 < x <= \$40,000	150	290	250	90	C	C
\$40,000 < x <= \$50,000	170	400	180	100	C	C
\$50,000 < x <= \$60,000	160	310	210	60	C	C
\$60,000 < x <= \$70,000	140	300	210	70	C	C
\$70,000 < x <= \$80,000	160	430	170	70	C	C
\$80,000 < x <= \$90,000	120	260	190	60	C	C
\$90,000 < x <= \$100,000	130	340	190	50	C	C
\$100,000 < x <= \$200,000	990	1,870	1,150	380	C	C
\$200,000 < x <= \$300,000	670	380	470	180	C	C
\$300,000 < x <= \$400,000	390	100	210	100	C	C
\$400,000 < x <= \$500,000	260	30	110	60	C	C
\$500,000 < x <= \$600,000	210	C	70	30	C	C
\$600,000 < x <= \$700,000	140	C	50	C	C	C
\$700,000 < x <= \$800,000	100	C	30	C	C	C
\$800,000 < x <= \$900,000	70	C	20	C	C	C
\$900,000 < x <= \$1,000,000	50	C	C	C	C	C
> \$1,000,000	250	C	50	30	C	C
<b>Total</b>	<b>8,400</b>	<b>6,160</b>	<b>6,020</b>	<b>1,850</b>	<b>40</b>	<b>C</b>