



4 March 2024

[Redacted]  
[Redacted]

Dear [Redacted]

Thank you for your follow up request to 24OIA1561, made under the Official Information Act 1982 (OIA), received on 2 February 2024.

- 1) *I understand your answers to 2 and 3 [about top income earners]. I'd like to know the total tax and the total net tax for each of those years [2000, 2010, 2015, 2020, 2022 tax years].*
- 2) *I was also wondering if you could tell me whether or not you hold the following information on the QUEENSTOWN, Cromwell and Wanaka regions:*
  - a) *Average incomes by age bracket and occupation.*
  - b) *Information on income from rental properties*
  - c) *And information on how many houses in those areas are rented out (have rental income for at least 6 months per year) vs how many don't have rental income.*

As you were advised on 15 February 2024, under section 14(b)(i) of the OIA, Inland Revenue transferred the following parts of your request to Stats NZ:

- 2) *The following information on the QUEENSTOWN, Cromwell and Wanaka regions:*
  - a) *Average incomes by occupation.*
  - c) *And information on how many houses in those areas are rented out (have rental income for at least 6 months per year) vs how many don't have rental income.*

### **Item 1**

In your previous request (24OIA1561), you requested information for the 2000, 2010, 2015, 2020 and 2022 tax years. Aggregate totals for the total tax and total net tax for those years are provided in Table 1 below.

As in the response to 24OIA1561, income tax is defined in Table 1 as tax on taxable income less any relevant tax rebates/credits (such as Independent Earner tax credits), any company imputation credits and any overseas tax credits.

The net income tax collected is defined in Table 1 as income tax less taxable transfers for which Inland Revenue holds information (taxable social welfare benefits, New Zealand Superannuation, Student Allowance and Paid Parental Leave) and Working for Families tax credits, attributed to each family's nominated principal carer.

Total tax in Table 1 includes personal income tax only. No other tax types (for example company tax or GST) are included.

<b>Tax year</b>	<b>Total income tax (\$m)</b>	<b>Total net tax (\$m)</b>
2000	15,131	4,529
2010	24,268	7,751
2015	28,479	9,306
2020	41,766	17,703
2022	49,150	21,382

*Table 1: Total income tax paid and total net tax paid by individuals*

### **Item 2a**

I have interpreted your request as being specific to individuals who are tax-resident in New Zealand. Table 2 below shows the 2021–22 tax year taxable income of tax-resident individuals whose address in Inland Revenue’s records is in Queenstown, Wanaka or Cromwell. This table is broken down by age bands, with age calculated at 31 March 2022, based on the birthdate of the tax-resident individual as recorded in Inland Revenue’s systems.

However, these results should be treated with caution. The address that Inland Revenue has recorded for a taxpayer does not necessarily reflect where they are living, or where they are economically deriving their income. Further, with an increasing number of taxpayers interacting with Inland Revenue online, there is now less need for customers to ensure that the physical address Inland Revenue holds for them is up to date.

Many taxpayers have not provided their date of birth and, for some, the date of birth in Inland Revenue’s records is clearly incorrect. I have attempted to move these into the “unknown” category, but it is not practical (or even possible) to fully cleanse the data.

<b>Age band</b>	<b>Number of tax-resident individuals</b>	<b>Average 2021-22 taxable income</b>
Unknown	380	63,270
0 to 15	3,480	710
16 to 20	2,140	15,990
21 to 25	3,260	37,190
26 to 30	6,430	44,650
31 to 35	7,120	48,200
36 to 40	5,090	57,630
41 to 45	3,890	68,750
46 to 50	3,200	81,030

Age band	Number of tax-resident individuals	Average 2021-22 taxable income
51 to 55	2,900	81,090
56 to 60	2,680	77,820
61 to 65	2,300	70,320
66+	5,410	45,550
Total	48,280	51,450

*Table 2: Average 2021-22 taxable income of tax-resident individuals with addresses in Queenstown, Wanaka and Cromwell by age*

### Item 2b

Inland Revenue does not hold information on the rental income from properties by location of the rental property. This part of your request is therefore 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.

However, Inland Revenue does hold information on the net residential income returned by tax-resident individuals by taxpayer location. This is provided below as it may be of assistance, but there is no guarantee that the associated rental properties are in the same area.

For the 2021-22 income year, net residential rental income returned by tax-resident individuals whose address in Inland Revenue's records was in Queenstown, Wanaka or Cromwell was \$21.8 million. Expanding the coverage to include other entity types, such as companies and trusts, increases the figure to \$40 million.

Please note that these are net figures, i.e. income after allowable deductions and losses, which can be claimed in the year of the return. This does not include losses that must be carried forward to a future year under the loss ring-fencing rules, but it does include losses claimed this year, including amounts brought forward from earlier years and claimed in 2021-22. A proportion of interest expenses<sup>1</sup> were disallowed in the 2021-22 income year. The data also includes income from the sale of any properties subject to the bright-line rules.

### 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).

<sup>1</sup> The rules in 2021-22 disallowed 25% of interest expenses for most rental properties, but took effect halfway through the year, so effectively 12.5% of interest expense was disallowed.

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



Sandra Watson

**Policy Lead, Forecasting and Analysis**