



13 March 2024

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 19 February 2024. You requested the following:

- 1) *Tax Revenue by source (Income Tax, GST etc) for the past five years*
- 2) *Corporate Tax by Significant Enterprises for the past five years*
- 3) *Corporate Tax by Significant Enterprises – Foreign and Multinational totals for the past five years*
- 4) *Significant Enterprises, foreign and multinational – does this include the big four Australian-owned banks?*
- 5) *Has the government documented justification for voting against the UN Tax Framework Convention?*

Item 1

The information you have requested is publicly available and can be found on the Treasury website (treasury.govt.nz) by searching for "tax outturn data", selecting the most recent publication and then selecting the "monthly history" document.

As such, this part of your request is refused under section 18(d) of the OIA – the information requested is publicly available.

Items 2, 3, and 4

For the purpose of responding to your questions on corporate tax by Significant Enterprises, I have defined 'Significant Enterprises' as any taxpayer that is managed by the Significant Enterprises (SE) segment in Inland Revenue's Customer and Compliance Services – Business (CCS-B) group.

The CCS-B group provides certainty and accuracy around complex and global tax compliance arrangements for a range of customers. Taxpayers with a turnover over greater than \$30 million or with 50 or more employees are managed by the SE segment within CCS-B. I have also included a small number of taxpayers who appear to have met the SE turnover or employee criteria in the 2021-22 income year but who are not currently included in the SE segment.

I have assumed that by corporate tax you mean corporate income tax. I have limited the results to show the residual income tax (RIT) of SE taxpayers who have filed an IR4 (company), IR44

(superannuation fund), or IR8 (Māori Authority) income tax return. The five years shown in the following table reflects income tax returns filed by these taxpayers from 2017-18 to 2021-22. Taxpayers with an agent and extension of time are not required to file their tax returns for the 2022-23 income year until 31 March 2024 and information for this year is incomplete and may be misleading. This data was extracted from Inland Revenue systems on 7 March 2024.

The table also reports the residual income tax for taxpayers within this population who are identified as foreign-owned multinationals. We have defined multinationals as being foreign owned corporates. This column is a subset of the total column (labelled "Residual Income Tax of corporate Significant Enterprises(\$m)") and includes the big-four Australian-owned banks. This data was extracted from Inland Revenue systems on 7 March 2024.

Year ending 31 March	Residual income tax of corporate foreign-owned multinationals SE (\$m)	Residual Income Tax of corporate Significant Enterprises (\$m)
2018	4,292.6	8,809.4
2019	4,304.2	9,328.4
2020	4,232.6	9,089.3
2021	4,422.1	12,376.5
2022	5,237.1	11,510.8

Table 1: Residual Income Tax of Companies, Superannuation Funds, and Māori Authorities managed within the SE segment of CCS-B.

Item 5

On 23 November 2023, Ministry of Foreign Affairs and Trade and Inland Revenue officials drafted the following material which explains New Zealand's vote on the UN Tax Framework Convention:

"New Zealand supports the need for international cooperation to ensure fair and effective taxation.

We acknowledge the concerns that have been expressed in the UN process regarding existing tax cooperation mechanisms and support the goal of ensuring the effective participation of all countries in the development of international tax policy standards.

However, we consider that the UN resolution to develop a framework tax convention is focused on developing a binding legal arrangement without first assessing the gaps in the current system.

Much progress has been achieved in recent years in the initiatives led by the OECD. The successes of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting represent the results of countries working together for mutual benefit.

We believe that any identified gaps should be addressed by building on and leveraging existing arrangements.

We are concerned that the proposed UN resolution could undermine the effectiveness of existing arrangements by creating duplication, inconsistency and fragmentation, with an associated strain on limited resources.

We encourage the UN and the OECD to better coordinate their efforts to make the best use of their respective expertise and maximize the impact of their actions.”

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 (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