



Inland Revenue
Te Tari Taake

17 November 2023



Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 26 October 2023. You requested:

I have a query regarding the following financial periods: - Financial Year 04/2021-03/2022 - Financial Year 04/2022-03/2023 - Financial Year 04-2023-present For each of these financial periods please supply me with the following information:

- 1) *The \$ value of GST penalties paid to IRD over the period*
- 2) *The \$ value of late payment penalties, related to GST payments paid to IRD over the period*
- 3) *The \$ value of interest related to GST late payments or penalties*
- 4) *The number of businesses attracting GST/GST late payment penalties over the period*
- 5) *The total number of GST registered businesses during the period.*

On 30 October 2023 you clarified your request to:

I would like information for tax years (1st April to 31st March)

Penalties based on the date of the transaction is fine

We are basically trying to quantify the total GST related penalties and interest businesses pay each tax year, how many businesses attracted GST penalties and interest payments each year, and what % this is of the total number of businesses making GST payments.

Questions 1, 2 and 3

I have interpreted these parts of your request as:

The value of payments made to Inland Revenue for interest, late payment penalties and other penalties on GST accounts from 1 April 2021 onwards, per tax year.

I am releasing the requested information in full in table 1 below. Please note that the numbers may not add up exactly due to rounding.

Table 1: Value of GST payments by tax year (1 April to 31 March)

Type of GST payment	Value per tax year		
	2022	2023	2024*
Use-of-money interest paid	\$31.5m	\$33.5m	\$34.6m
Late payment penalties paid	\$19.9m	\$20.2m	\$28.4m
Other penalties paid	\$11.9m	\$10.9m	\$5.5m
Total	\$63.4m	\$64.7m	\$68.5m

* As the 2024 tax year is not yet complete, information for 2024 is for 1 April 2023 to 31 October 2023.

GST payments made to Inland Revenue

Table 1 shows the amount of GST payments and penalties for payments made in the tax years requested. However, when payments are allocated towards debt (after any current obligation has been paid), the payments are typically allocated to the oldest penalties and interest on the customer’s account. This means that even if a payment is made during a specific tax year, it can apply to an older year.

Other penalties include late filing penalties and shortfall penalties. The value includes payments and credit transfers (either from other tax types where credit is available, or from a GST credit assessment or refund).

You can find more information about penalties and interest on our website (ird.govt.nz) or at <https://www.ird.govt.nz/managing-my-tax/penalties-and-interest>.

Questions 4 and 5

I have interpreted these parts of your request as:

- how many customers had GST to pay
- how many of these customers were charged penalties and interest on their GST accounts, and
- the total number of customers actively registered for GST each tax year from 1 April 2021.

I am releasing the requested information in full in table 2 below. Customer numbers are rounded to the nearest hundred.

Table 2: Number of customers with GST obligations by tax year (1 April to 31 March)

Type of customer	Number of customers by tax year		
	2022	2023	2024*
Customers with one or more GST assessment to pay	535,400	546,800	522,600
Customers with penalties/interest applied to GST due	133,000	159,600	173,800
Customers registered for GST for all of part of the year	698,100	697,900	679,900

* As the 2024 tax year is not yet complete, information for 2024 is for 1 April 2023 to 31 October 2023.

Number of customers with GST obligations

Table 2 shows the number of customers who had GST to pay with a due date during the tax years requested. The table also shows how many of those customers had penalties and/or interest applied.

Penalties include all types of penalties including late payment, late filing and shortfall penalties.

The row “Customers registered for GST” shows the number of customers who were registered for GST for some or all of the tax year.

Inland Revenue’s *Annual Report* has additional information and insights about its customers, debt, and payments that you may find useful. Current and previous *Annual Reports* are published on our website (ird.govt.nz) or at <https://www.ird.govt.nz/about-us/publications/annual-corporate-reports/annual-report>

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, 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



Richard Philp
Micro Business Customer Segment Leader