



27 September 2024

Dear [REDACTED]

Thank you for your email on 13 September 2024 to Inland Revenue requesting the following information:

*I am working on a research project that aims to show the total tax paid, transfers and subsidies for 26 different household types. Ideally I would like the GST estimates to be as refined as possible.*

*I know IRD can't of course trace GST paid by individuals, but I recall there has been work in the past for Tax Working Groups that has provided estimates.*

*What I am after is any information or papers that can help with the following:*

- 1. Proportion of after tax income that goes on GST for the average (mean or median) New Zealander*
- 2. Proportion of after tax income that goes on GST for different income levels, deciles, quintiles etc*
- 3. Any known differences in GST paid by sex, age, ethnicity, employment status]*

Your request has been considered under the Official Information Act 1982 (OIA).

As you noted, Inland Revenue does not collect information on the Goods and Services Tax (GST) paid by individuals. Therefore, we do not hold data which could be broken down into the specific categories requested in **parts one, two and three** of your request. As a result, your request is refused under section 18(e) of the OIA as the information requested does not exist.

Past research in this space has generally been carried out using survey data held by Statistics New Zealand (Stats NZ) to infer the GST payable. You may be interested in related information released by the Tax Working Group at <https://taxworkinggroup.govt.nz/index.html>.

In particular, a paper prepared in March 2018 for consideration by the Tax Working Group offered insights into the distribution of tax burdens across income deciles, including income tax, GST, and transfers. While it does not specify the exact proportion of after-tax income dedicated to GST for the average New Zealander, or delve into GST payments specifically by sex or employment states, it includes references to demographic breakdowns of wealth by ethnicity

and age. The document is available at <https://taxworkinggroup.govt.nz/sites/default/files/2018-09/twg-bg-distributional-analysis.pdf>.

Additionally, Inland Revenue has published a report in April 2023 which examines GST relative to expenditure and income across household income deciles. The report can be found on Inland Revenue's website at [High-Wealth Individuals Research Project Report - April 2023 \(ird.govt.nz\)](https://www.ird.govt.nz/high-wealth-individuals-research-project-report-april-2023). This report also provides links to earlier work carried out at Victoria University of Wellington in 2015: Thomas, A. (2015). *The Distributional Effects of Consumption Taxes in New Zealand. Working Papers in Public Finance. Working Paper 08/2015*. This document can be found at <http://hdl.handle.net/10063/4668>

Inland Revenue has consulted with Stats NZ to determine whether the information you are requesting is instead held by that agency which would allow for a transfer of your request. However, Stats NZ has advised that they too do not collect data on GST paid by individuals. They have suggested you may be interested though, in household expenditure statistics published on the Stats NZ website at <https://www.stats.govt.nz/information-releases/household-expenditure-statistics-year-ended-june-2023/>.

Inland Revenue has also consulted with The Treasury as we noted that they have published analytical papers about the effects of taxes on household incomes, including those paid on consumption. For example, a paper titled "*Fiscal incidence in New Zealand: The effects of taxes and benefits on household incomes in tax year 2018/19 (AN 24/01)*", can be found online at <https://www.treasury.govt.nz/publications/an/an-24-01>. You may want to consider approaching The Treasury directly if you think that they might hold other information of interest to you.

### **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).

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 ([ird.govt.nz](https://www.ird.govt.nz)) as this information may be of interest to other members of the public. This letter, with your personal details removed, may 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.

Yours sincerely



Sandra Watson

**Policy Lead, Forecasting and Analysis**