



Significant Enterprises

21 Home Straight
P O Box 432
Hamilton 3200
New Zealand

T. 07 959 0483
E. tony.morris@ird.govt.nz

7 May 2019

Ti Lamusse
fyi-request-10013-fff43e17@requests.fyi.org.nz

Dear Ti Lamusse

Thank you for your request made under the Official Information Act 1982 (the OIA), received on 5 April 2019. You requested the following:

- 1. Please provide me with the total estimated (and actual, if possible) cost of tax evasion per annum, as far back as records permit.*
- 2. Please provide me with the current total estimated (and actual, if possible) amount of tax outstanding due to tax evasion.*
- 3. Please provide me with the total amount of tax debt forgiven per annum, as far back as records permit.*

Question One

Inland Revenue does not produce or hold an estimate of the cost of tax evasion per annum. Accordingly, I am refusing this request under section 18(g) of the OIA – as the information is not held by Inland Revenue.

More information about Inland Revenue's understanding of the hidden economy, including its potential size, can be found in the report *Hidden Economy: Background Paper for Session 14 of the Tax Working Group*. This report can be found on the Tax Working Group's website at www.taxworkinggroup.govt.nz.

Question Two

This information is not held in a format that would enable us to answer this question without substantial collation. Inland Revenue prioritises debt related to evasion but breaking down collection cases based on how the debt was generated (e.g. due to evasion, child support arrears, income tax) would require a case by case analysis of taxpayer files.

Accordingly, this part of your request is refused under section 18(f) of the OIA as the information requested cannot be made available without substantial collation.

In deciding to refuse your request I considered whether charging or extending would enable the request to be granted, as required under section 18A of the OIA. In this case, neither of those options would enable the request to be granted.

Question Three

The table below sets out the amounts of tax debt forgiven and written off as uncollectable over the last 11 years. These include all tax types (including penalties and interest) and Kiwisaver.

| Financial Year | \$m |
|----------------|---------|
| 2017-18 | 613.4 |
| 2016-17 | 2,227.7 |
| 2015-16 | 1,126.6 |
| 2014-15 | 1,135.1 |
| 2013-14 | 930.2 |
| 2012-13 | 924.7 |
| 2011-12 | 848.6 |
| 2010-11 | 785.4 |
| 2009-10 | 666.8 |
| 2008-09 | 722.3 |
| 2007-08 | 700.7 |

Right of Review

If you disagree with my decisions on your OIA request, you can ask an Inland Revenue review officer to review my decisions. 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.

Thank you for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Tony Morris
Customer Segment Lead – Significant Enterprises