



Inland Revenue
Te Tari Taake

Office of the Commissioner

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New Zealand

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23 June 2016

H Hutchinson
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Dear H Hutchinson

Thank you for request made on 3 June 2016 under the Official Information Act 1982 (OIA). You requested the following information:

- *What has been the total revenue from capital gains tax following the 'bright-line' test coming into effect on October 1 2015?*
- *What is the number of houses sold since October 2015?*
- *What proportion of houses sold since October 1 2015 have been taxed under the 'bright-line' test?*
- *Can these figures be broken down into regions of New Zealand?*

Your requests are refused under the provisions contained in section 18(g) of the OIA.

There is no capital gains tax in New Zealand. People who trade in property have always been required to pay tax on any profit from the sale of property.

The new bright-line test that now requires income tax to be paid on any gains from residential property disposed of within two years of acquisition, subject to some exceptions, came into effect on 1 October 2015. The first income tax returns that will include potential bright-line income will be for the year ended 31 March 2016. These tax returns are due 7 July 2016. Therefore, no analysis has been completed on bright-line income.

If you disagree with my decision, you have the right, under section 28(3) of the Act, to ask the Ombudsman to investigate and review my decision. The office of the Ombudsmen can be contacted at PO Box 10152, The Terrace, Wellington 6143, or via email, www.ombudsman.parliament.nz.

Alternatively, you may have the decision reviewed by an Inland Revenue review officer. This does not preclude you from subsequently seeking a review by the Ombudsman if you are not satisfied with the department's internal review.