

29 June 2021

Isla Stewart
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Dear Ms Stewart

Thank you for your request made under the Official Information Act 1982 (the OIA), received on 8 June 2021. I have responded to your four questions below.

Question 1: *In any fiscal year, is IRD aware of any of its customers who are reporting income derived from unlawful activities, for example drug dealing, money laundering, or similar offences.*

Any income derived from an illegal business or activity is deemed taxable, and for tax purposes is treated as if it were derived from a legitimate business. Section CB 32(1) of the Income Tax Act 2007 further covers tax liabilities resulting from property obtained through theft. However, Inland Revenue does not specifically monitor or maintain data on customers who are deriving income from unlawful activities.

Question 2: *If aware of any of any tax payments made for illicit income, how much has been received by IRD in the last 5 fiscal years?*

Inland Revenue does not keep records of the level of tax payments made specifically in relation to illicit income.

Question 3: *Does IRD have any modelling, reports, or other documents containing estimations of taxation revenue from criminal sources? If so, I would like to request a copy of these reports.*

Inland Revenue does not have any modelling, reports or other documents containing estimates of taxation revenue from criminal sources.

Question 4: *Does IRD have any policies regarding the collection of illicit revenue made available to staff, the public, or other agencies? If so, I would like to request a copy of these as well.*

Because income derived from an illegal business is treated as if it were derived from a legitimate business, Inland Revenue does not have specific policies regarding the collection of illicit revenue.

Thank you for your request.

Yours sincerely



Sonya Duncan
Group Lead, Customer Compliance Unit 2