



**Inland Revenue**  
Te Tari Taake

# Regulatory Impact Statement: Repeal of Section 17GB

<b>Decision sought</b>	<i>Analysis produced for the purpose of informing final Cabinet decisions</i>
<b>Agency responsible</b>	<i>Inland Revenue is responsible for developing this RIS</i>
<b>Proposing Ministers</b>	<i>The Minister of Revenue is responsible for the Cabinet paper</i>
<b>Date finalised</b>	3 June 2025.

The Minister of Revenue has commissioned Inland Revenue to prepare legislation to repeal section 17GB of the Tax Administration Act 1994 (the TAA). Section 17GB allows the Commissioner of Inland Revenue to request information from a taxpayer for a purpose relating to the development of policy for the improvement or reform of the tax system.

## Summary: Problem definition and options

### What is the policy problem?

Information collection powers require a balance between the value of the information collected and the impact on privacy and compliance, and administrative costs.

Views differ on the appropriate weighting of these objectives for Inland Revenue's ability to collect information for policy purposes. Some stakeholders consider section 17GB provides too broad a scope for information collection and imposes unnecessarily high compliance costs. Other stakeholders consider the power necessary to ensure Inland Revenue has sufficient information to inform policy advice.

There is also existing ambiguity as to current restrictions on use of information collected under section 17GB, in particular the extent to which information collected under section 17GB cannot be used in proceedings.

### What is the policy objective?

The objective is to ensure the Commissioner of Inland Revenue can provide evidence-based policy advice, while ensuring the Commissioner's powers to collect information for policy purposes do not inappropriately intrude on taxpayer privacy or result in unreasonable compliance costs.

### What policy options have been considered, including any alternatives to regulation?

Four options have been fully considered in a review of section 17GB:

- **Category 1: Retain section 17GB and strengthen restrictions on use of information**
  - **Option 1a:** Status quo including non-legislative guidance.

<ul style="list-style-type: none"> <li>○ <b>Option 1b:</b> Clarify and broaden the protection against information being used in proceedings.</li> <li>○ <b>Option 1c:</b> Restrict the use of information collected under section 17GB to policy purposes and restrict disclosure to information where individuals cannot be identified.</li> <li>• <b>Category 2: Repeal section 17GB.</b></li> </ul>
<p><b>What consultation has been undertaken?</b></p> <p>Targeted consultation has taken place with eight key stakeholders. This included stakeholders from the private sector, public interest groups as well as academics.</p> <p>Stakeholders had a range of views on the proposed options. Those who supported the repeal of section 17GB generally considered the power to be unnecessary or too strong relative to powers in other agencies. Those who supported retaining the power thought it could help address key information gaps in the tax system. If the provision was to be retained, the preferred option was to amend the section so information collected under the provision cannot be used for any purpose other than policy development.</p> <p>The Office of the Privacy Commissioner and the Ministry of Justice were also consulted. The Privacy Commissioner supports greater controls on the use and disclosure of information collected under section 17GB.</p>
<p><b>Is the preferred option in the Cabinet paper the same as preferred option in the RIS?</b></p> <p>The preferred option in the Cabinet paper (repeal section 17GB) is not the same as the preferred option in the RIS (Option 1c: Restrict the use of information collected under section 17GB to policy purposes and restrict disclosure to information where individuals cannot be identified).</p>

## Summary: Minister's preferred option in the Cabinet paper

The Minister's preferred option is to repeal section 17GB.
<b>Costs (Core information)</b>
<p>Repealing section 17GB would reduce Inland Revenue's ability to collect information solely for the purpose of policy development, which could affect the quality of future policy advice.</p> <p>It may be that some information that could currently be sought under section 17GB could be sought under another Inland Revenue information gathering power in the future. If this is the case, taxpayers may have weaker protections because information collected under section 17GB cannot be used in certain proceedings. This restriction does not apply under other information gathering powers.</p>
<b>Benefits (Core information)</b>
The key benefit of a repeal of section 17GB is to taxpayers who may otherwise have been subject to an information request and now will not be. These taxpayers are likely to perceive a benefit in terms of not having to provide information to Inland Revenue and will not incur compliance costs from information requests.
<b>Balance of benefits and costs (Core information)</b>
The cost and benefit analysis of this proposal involved a judgement about how to balance taxpayer privacy, compliance costs, and information sufficiency. The Minister has given

greater weight to taxpayer privacy, while officials have given greater weight to information sufficiency.

### **Implementation**

The repeal of section 17GB will be included in the 2025–26 omnibus taxation Bill.

### **Limitations and Constraints on Analysis**

Inland Revenue undertook targeted consultation with key stakeholders and academics in the review of section 17GB. This was limited because it was not open to the public. Inland Revenue has only used section 17GB once, in the High-wealth Individuals Research Project. This means that Inland Revenue has not had sufficient time to realise the benefits of the provision and determine the extent to which it can improve the quality of policy advice.

## **Summary: Agency's preferred option**

Inland Revenue's preferred option is to retain section 17GB but restrict the use of information collected under section 17GB to the development of policy.

### **Costs (Core information)**

Inland Revenue's preferred option is likely to lead to higher compliance costs and more information requests for taxpayers than the Minister's preferred option.

### **Benefits (Core information)**

Inland Revenue's preferred option would give Inland Revenue stronger powers to collect information that supports the quality of policy advice than the Minister's preferred option.

### **Balance of benefits and costs (Core information)**

Inland Revenue considers that restricting the use of information collected under section 17GB to use for policy purposes is an improvement on the status quo, providing greater certainty to taxpayers as to the limitations of information use and disclosure. Inland Revenue prefers this option to repeal because it puts greater weight on having sufficient information for policy quality advice.

### **Implementation**

This option would be included in the 2025–26 omnibus taxation Bill.

### **Limitations and Constraints on Analysis**

The same as for the Minister's preferred option.

**I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.**

**Responsible Manager(s) signature:**

s 9(2)(a)

**Felicity Barker**  
**Policy Lead**  
**3 June 2025**

<b>Quality Assurance Statement</b> <i>[Note this isn't included in the four-page limit]</i>	
<b>Reviewing Agency: Inland Revenue</b>	<b>QA rating:</b> [Partially meets]
<b>Panel Comment:</b> The Inland Revenue Department's internal quality assurance panel has reviewed the Regulatory Impact Statement (RIS) prepared by Inland Revenue and associated supporting material on 3 June 2025. The panel considers that the information and analysis summarised in the RIS partially meets the Quality Assurance criteria.	

## Section 1: Diagnosing the policy problem

---

**What is the context behind the policy problem and how is the status quo expected to develop?**

### **Purpose of section 17GB**

1. Section 17GB of the Tax Administration Act (the TAA) was enacted in December 2020. It provides the Commissioner of Inland Revenue with the power to require a person to provide information for a purpose relating to the development of policy for the improvement or reform of the tax system.
2. Once information is collected it can be used by Inland Revenue for a range of other purposes. The exception is that information must not be used as evidence in proceedings against the person who provided the information. This restriction was included in the legislation to address Bill of Rights Act 1990 concerns. A similar restriction is contained in the Data and Statistics Act 2022.
3. Before section 17GB was inserted, there was uncertainty around whether the power to collect information for purposes related to policy development was already contained in the general information collection power, section 17B of the TAA. Section 17B allows the Commissioner to request information related to the administration or enforcement of an Inland Revenue Act or any function lawfully conferred on the Commissioner. The insertion of section 17GB gives certainty that Inland Revenue can collect information for purposes solely related to policy development.
4. The Tax Working Group 2019 indicated that the lack of information about the impact of current tax settings made it difficult to articulate clearly the trade-offs involved in policy changes or where potential gaps existed.
5. Section 17GB provides:
  - (1) A person must, when notified by the Commissioner that the person is required to provide information under this section, provide any information that the Commissioner considers relevant for a purpose relating to the development of policy for the improvement or reform of the tax system.*
  - (2) The Commissioner must not use, as evidence in proceedings against a person, information provided by the person in response to a notice under subsection (1).*
  - (3) Subsection (2) does not apply to any information subsequently obtained by the Commissioner under another section of this Act.*
6. Internationally, section 17GB is unique with its pure purpose to collect information only for policy development. It is common for other tax authorities to have reasonably broad information gathering powers, however, they are generally dedicated to compliance activities (although collected information can then subsequently be used for policy purposes).

## **Use of section 17GB**

7. Section 17GB has only been used once to obtain information. This was in relation to the High-wealth Individuals (HWI) Research Project during 2022 to 2023. Section 17GB has been considered for use in other policy projects, however a subsequent use case has not yet been established.
8. When information was collected under section 17GB for the HWI project, Inland Revenue was careful to ensure the collection, use and disclosure of personal information followed information management best practice, such as assessing the collection of information against the information privacy principles in the Privacy Act 2020 (in consultation with the Privacy Commissioner). The decisions to collect information under section 17GB were made at the Deputy Commissioner level and overseen by governance and legal oversight. Data obtained was carefully ring-fenced and was not able to be used for any purpose except in relation to the project. Collected data was destroyed on project completion.
9. A draft operational statement was released for public consultation between 26 November 2021 and 31 January 2022. This draft operational statement explained the procedures Inland Revenue will follow when issuing notices under section 17GB.<sup>1</sup> The draft operational statement also covered compliance costs, reasonableness of requests, and timeframes. This statement has not been finalised given the review of section 17GB.

## **What is the policy problem or opportunity?**

10. Information collection powers require a balance between the value of the information collected and the impact on privacy and compliance, and administrative costs.
11. In consultation, stakeholders had differing views on the appropriate scope of information collection powers for Inland Revenue, reflecting different weighting of considerations. Broadly, concerns with the current provision relate to the following categories.

## ***Use of information collected under section 17GB***

12. One concern is the extent to which information collected under section 17GB can be used for purposes other than the development of policy for the improvement or reform of the tax system. Some consider it inappropriate that information collected for policy development can be used by Inland Revenue for administrative reasons such as to assess compliance with current tax rules. Under the status quo, the only legislative restriction is on the use of information collected under section 17GB in proceedings.
13. Another set of concerns relates to ambiguity as to the scope of the current protection on the use of information in proceedings. Section 17GB(2) prohibits the use of information collected under section 17GB as evidence in proceedings against the person providing that information. However, there is uncertainty as to the scope of this prohibition:
  - a. It is unclear whether section 17GB(2) only prohibits the use of information as evidence in civil proceedings, or if the prohibition also applies to criminal cases

---

<sup>1</sup> <https://www.taxtechnical.ird.govt.nz/-/media/project/ir/tt/pdfs/consultations/expired-consultations/ed0237.pdf?modified=20220131190058&modified=20220131190058>

in the court, or if the prohibition applies to all proceedings (which would include, for example, debt proceedings).

- b. The provision itself does not specifically prohibit the use of information as evidence in proceedings against third parties. Given this lack of restriction, it could result in situations where information provided by an individual could be used in a proceeding against a connected entity such as a company.
  - c. Section 17GB(2) only protects against “proceedings”, and therefore has no effect on tax assessment actions or penalties.
14. There are circumstances where information collected under section 17GB potentially must be disclosed to external agencies (eg, Auditor-General), other parties or international tax authorities under a lawful request. Submitters have expressed concerns around this scope of disclosure.
15. There is also potentially some ambiguity as to the relationship between subsection (2) and subsection (3) of section 17GB. In particular, the question is whether, following collection of information under section 17GB, the Commissioner could use that information and subsequently collect the same information under the general information provision and then use it in proceedings against the person.
16. Note that at present, disclosure of taxpayer specific information is restricted under section 18 of the TAA.

#### ***Compliance burden for taxpayers***

17. Section 17GB requests will impose compliance costs. Each information request will be different in the amount of compilation required, but taxpayers have raised concerns that section 17GB requests in the HWI project did involve significant costs.

#### ***Role of Inland Revenue***

18. Some commentators consider that Inland Revenue, as the tax authority, should not have the power to collect information for policy purposes. They argue this information gathering power should sit within Stats New Zealand’s responsibility.<sup>2</sup>

#### **What objectives are sought in relation to the policy problem?**

19. We understand the Minister’s primary objective is to put greater weight on privacy interests and other safeguards of private information. In this way an amendment could support the integrity of the tax system by fostering trust in the tax system.
20. A secondary objective is to ensure that Inland Revenue has sufficient information on which to base high-quality policy advice.
21. A third objective is to ensure the costs of complying with a section 17GB request are reasonable compared to the benefits of information provision.

#### **What consultation has been undertaken?**

---

<sup>2</sup> For example, [Microsoft Word - Mitchell Fraser - Tax Policy Scholarship Competition 2022 - Final Paper.docx](#)

22. Inland Revenue undertook targeted consultation with eight key stakeholders in September 2024. Selected stakeholders were key stakeholders for Inland Revenue or had previously submitted on the draft operational statement for section 17GB notices. Inland Revenue consulted on the options set out in paragraphs 24–25.
23. There was a wide range of views expressed in consultation and no consensus on whether to retain, amend, or repeal section 17GB. Those who supported repeal thought that the power was unnecessary or too strong relative to the powers of other agencies. Those who supported retaining the power thought it could help address key information gaps in the tax system. If the power is to be retained, most stakeholders favoured restricting the use of the information to policy purposes. Two stakeholders preferred that Inland Revenue continue to address concerns through non-legislative guidance.

## Section 2: Assessing options to address the policy problem

---

### What criteria will be used to compare options to the status quo?

24. The options will be evaluated against the following criteria:
- a. **Quality policy advice:** Does the option allow Inland Revenue to provide evidence-based policy advice to inform tax policy or reform?
  - b. **Taxpayer privacy:** Does the option provide an appropriate scope of use of information that appropriately considers taxpayer privacy?
  - c. **Compliance and administrative costs:** Does the option create costs on the taxpayer and Inland Revenue?

### What scope will options be considered within?

25. Options fall into two main categories:
- **Category 1: Retain section 17GB and strengthen restrictions on use of information<sup>3</sup>**
    - i. **Option 1a:** Status quo including non-legislative guidance.
    - ii. **Option 1b:** Clarify and broaden the protection against information being used in proceedings.
    - iii. **Option 1c:** Restrict the use of information collected under section 17GB to policy purposes and restrict disclosure to information where individuals cannot be identified.
  - **Category 2: Repeal section 17GB.**
26. Officials also consulted on allowing a deduction from taxable income for complying with a section 17GB request to reduce compliance costs. However, stakeholders had mixed

---

<sup>3</sup> A further option considered in Category 1 was to place mandatory considerations on the Commissioner in the TAA before issuing a section 17GB request. Officials did not recommend this option because operational guidance was considered sufficient.



views on this proposal and this proposal did not resolve the concerns about the scope of use of information. Hence, this option is not analysed further.

### **What options are being considered?**

27. The key choice being made is whether Inland Revenue should have the power to collect information solely for policy purposes. Should section 17GB be repealed, it is unclear if Inland Revenue would be able to collect information for policy purposes under the general information collection provision. Should section 17GB be retained, it clarifies Inland Revenue's power to collect information for policy purposes.

### **Category 1: Retain section 17GB**

28. We consider three options if section 17GB is retained, with varying levels of restriction on the use of information.
29. The benefit of retaining section 17GB is that Inland Revenue would be clearly empowered to collect information that supports the quality of its policy advice. This could improve the quality of future advice. This applies across all three options below.
30. Retention of section 17GB could lead to higher compliance costs for taxpayers. This would be the case if a repeal results in Inland Revenue not having the power to collect information for policy purposes or collecting less information than it would if section 17GB were retained due to uncertainty as to the law. Compliance costs are likely to be broadly similar under all retention options.
31. The impact on policy quality and compliance costs does not vary substantially across the retention options. Below we assess the options in terms of:
  - a. the impact on privacy of the three options to retain section 17GB, and
  - b. any varying administrative costs across the options.

### **Option 1a: Status quo with enhanced guidance**

32. This option would retain section 17GB and Inland Revenue would finalise the operational statement on section 17GB requests, which provides greater transparency to its operational processes. Inland Revenue has also released an information collection framework that applies to all Inland Revenue's information collection powers including section 17GB.<sup>4</sup> Under Options 1b and 1c, the operational statement would also be finalised, and the information collection framework would continue to apply.
33. The operational statement and framework seek to provide appropriate operational processes. The aim is to prompt decision makers to undertake appropriate cost-benefit analysis and ensure appropriate matters are considered. Both the framework and operational statement were subject to consultation.

### **Taxpayer privacy**

34. As discussed in paragraph 7, Inland Revenue put a lot of weight on taxpayer privacy when dealing with information collected under section 17GB in the HWI project. However,

---

<sup>4</sup> [Information collection framework](#)

many steps were undertaken through operational processes and to some degree at Inland Revenue's discretion.

35. If section 17GB were retained with no amendment:
- Information collected would be able to be used by Inland Revenue for a broader purpose than policy development.
  - There is the potential for information to be required to be disclosed to external agencies, other parties, or to international tax authorities under a lawful request.
  - The ambiguity around the scope of proceedings protected by section 17GB(2), discussed at paragraph 12, would not be addressed.

#### **Administrative costs**

36. This option imposes no additional administrative costs.

#### **Option 1b: Clarify and broaden the protection against information being used in proceedings**

37. This option would retain section 17GB and continue to prohibit information collected under section 17GB from being used as evidence in "proceedings" (see paragraph 12), but would amend the TAA to clarify that proceedings covers:
- disputes other than those defined in the TAA as proceedings
  - proceedings taken by other agencies
  - proceedings against third parties.

#### **Taxpayer privacy**

38. Option 1b reduces the scope of information use compared to Option 1a by prohibiting the use of information in a broader range of proceedings. This gives more certainty to the taxpayer and would supplement operational processes that restrict the use of information. This option targets the greatest area of ambiguity in section 17GB(2), namely clarity around the restriction on use in proceedings.
39. Under this option, Inland Revenue would continue to be able to use section 17GB for a broader range of purposes than policy development and information may be required to be disclosed to other parties under a lawful request.

#### **Administrative costs**

40. Having greater legislative restrictions could create a risk of legal challenge on the basis that restricted information has been used as a basis for undertaking proceedings. This risk, however, is not materially higher than under the status quo.

#### **Option 1c: Restrict the use of information to policy purposes**

41. This option would retain section 17GB and implement restrictions on use and disclosure of information collected under section 17GB. Under this option:
- personal information<sup>5</sup> collected under section 17GB would only be able to be used by Inland Revenue for policy development purposes, and
  - section 17GB information would only be able to be disclosed in an aggregated or de-identified form.

---

<sup>5</sup> Or "sensitive revenue information" as defined in the TAA

### **Taxpayer privacy**

- 42. Option 1c places greater weight on taxpayer privacy than the other retention options by providing the maximum restriction on information use. It also addresses concerns with the definition of proceedings. Under this option, if Inland Revenue collected information under section 17GB that showed non-compliance, Inland Revenue would not be able to act on that information.
- 43. Option 1c would supplement the existing disclosure regime that governs sensitive revenue information, including information that could identify an individual.
- 44. Greater restrictions on information use would better align with an equivalent provision in the Privacy Act 2020, referred to as the “statistics and research” exception, and this will confirm to taxpayers that information provided to Inland Revenue would not have unforeseen consequences for them. Option 1c is also similar to amendments made to the information-sharing agreement between Inland Revenue and Ministry of Social Development in 2021. These amendments enabled the agencies to collect information for policy purposes provided the information is not used for another purpose.

### **Administrative costs**

- 45. Option 1c would require Inland Revenue to put in place operational ring-fencing processes to ensure information is not used in compliance activities. This could be an administrative cost for Inland Revenue; but is unlikely to be materially higher than the status quo.

### **Category 2: Repeal section 17GB**

- 46. This option would repeal section 17GB from the TAA. Repealing section 17GB would remove Inland Revenue’s explicit ability to collect information solely for policy purposes. The Commissioner could continue to collect policy insights from information from other sources, including administrative information held by Inland Revenue and other agencies, and information requested for policy purposes but provided voluntarily.
- 47. There is uncertainty as to whether repeal of section 17GB would completely remove Inland Revenue’s ability to collect information solely for policy purposes. Section 17GB was originally inserted as a clarifying amendment to address uncertainty as to whether the general information gathering power would allow Inland Revenue to require information for policy purposes. The impact of repeal will therefore depend on legal interpretation.

### **Quality policy advice**

- 48. Repealing section 17GB removes Inland Revenue’s explicit ability to request information for policy purposes. This could result in less information being available in the future and therefore impact on the quality of future advice.

### **Taxpayer privacy**

- 49. The impact on taxpayer privacy depends on the legal interpretation of section 17B, the general information gathering power, following repeal. However, the circumstances under which Inland Revenue would seek to collect information for policy purposes are

likely to be less if section 17GB is repealed. This means Inland Revenue is less likely to seek information from taxpayers, which would support taxpayer privacy.

50. If, however, a court determines that the general information collection power does allow Inland Revenue to collect information for policy purposes, repeal would remove the current protection for individuals on the use of information in proceedings because it is not explicitly mentioned in the general information gathering power. Under this scenario, taxpayers may have less protection of their information than at present.

### Administrative costs

51. No administrative costs arise from repealing section 17GB. However, if the Government wants to collect information in the future for the purposes related to policy development, then the Government may need to pass legislation to do so.

### How do the options compare to the status quo/counterfactual?

	Option 1a: Status quo	Option 1b: Broaden protection against information being used in proceedings	Option 1c: Restrict use of information to policy purposes	Repeal section 17GB
Quality policy advice	0	0	0	--
Taxpayer privacy	0	+	++	++
Compliance costs	0	+	+	+
Administrative costs	0	-	-	0
Overall assessment	0	+	++	+

### What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

52. Inland Revenue's preferred option is Option 1c, restrict the use of taxpayer-specific information to policy purposes. This option includes restricting disclosure to

information where individuals cannot be identified. Inland Revenue considers this option provides a reasonable balance between protecting taxpayer privacy while maintaining the ability to gather information to support quality policy advice.

53. Options 1b and 1c have merit because they recognise the value of quality policy advice and remove the most significant ambiguity from the provision. However, Option 1c provides greater privacy protection for taxpayers and greater certainty as to the use of information.

54. Inland Revenue considers that repeal of section 17GB will reduce its ability to collect information for policy purposes in the future, which may reduce the quality of future policy advice.

### Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

55. The Minister's preferred option in the Cabinet paper is to repeal section 17GB (Category 2), different to Inland Revenue's preferred option (Option 1c). The Minister has indicated his preference to repeal section 17GB because he considers that repeal best addresses taxpayer concerns about privacy and compliance costs.

### What are the marginal costs and benefits of the preferred option in the Cabinet paper?

<b>Affected groups</b> <i>(identify)</i>	<b>Comment</b> <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks</i>	<b>Impact</b> <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	<b>Evidence</b> <b>Certainty</b> <i>high, medium, or low, and explain reasoning in comment column</i>
<b>Additional costs of the preferred option compared to taking no action</b>			
<i>Taxpayers</i>	None.	Low	High
<i>Inland Revenue</i>	Inland Revenue no longer has an explicit power to collect information for a purpose relating to policy development.	Low	Medium
<b>Total monetised costs</b>	-	-	-
<b>Non-monetised costs</b>		Low	Medium
<b>Additional benefits of the preferred option compared to taking no action</b>			
<i>Taxpayers</i>	Taxpayers are less likely to be subject to information requests.	Low	Medium
<i>Inland Revenue</i>	None.	Low	Medium
<b>Total monetised benefits</b>	-	-	-

Non-monetised benefits		Low	Medium
------------------------	--	-----	--------

## Section 3: Delivering an option

---

### How will the proposal be implemented?

56. Section 17GB can be repealed through the 2025–26 omnibus taxation Bill, expected to be introduced in August 2025 and enacted before the end of March 2026. Relevant communication will be included in commentary and the *Tax Information Bulletin*.

### How will the proposal be monitored, evaluated, and reviewed?

57. This proposal is a repeal, so there is no ability to monitor, evaluate or review this change.