

Inland Revenue Update – Debt Collection Changes

This newsletter highlights the key recent changes to Inland Revenue’s debt collection approach and how this could affect your tax obligations.

1. Strengthened Focus on Overdue Tax Debt

Collecting overdue tax debt has become a clear priority for the Government, supported by an increased budget and a stronger focus on reducing New Zealand’s growing tax arrears. Inland Revenue is directing more resources toward identifying and following up on overdue accounts, with particular attention on core taxes such as **GST and PAYE**, which remain high-risk areas for businesses.

2. Increased Use of Bank Account Deductions

Inland Revenue has begun using its powers to deduct funds directly from taxpayer’s bank accounts in situations where clients have not been engaging with Inland Revenue and there are clearly available funds. Inland Revenue has advised it will communicate with taxpayers before taking this step, so it is important to watch for **letters, messages, or myIR notifications**. This gives you the opportunity to discuss payment options early and avoid unexpected deductions.

3. New myIR Collections Panel

The new collections panel in myIR provides a clearer, more streamlined view of your overall debt position.

Key points:

- Shows important information in one place, including any active instalment arrangements and deduction notices.
- Gives a simple overview of all items included in a collections case.
- You may also see options to accept or decline pre-approved arrangements, depending on your situation.

([Click here](#) to read more about this.)

We encourage you to discuss any pre-approved arrangements with us before accepting these to ensure it is right for your circumstances.

4. How We Can Help

If you are feeling unsure about your tax position or have received communication from Inland Revenue, **we are here to help**. Our team can:

- Review your cashflow and discuss payment options.
- Liaise directly with Inland Revenue on your behalf.
- Clearly explain any letters or notifications you receive.
- Help set up or adjust instalment arrangements to keep everything manageable.

Reaching out early gives us the best chance to protect your position and avoid unnecessary collection action.

If you have any concerns about your current obligations please do not hesitate to reach out to us to discuss the options available.

Email us at: team@chapmans.co.nz or phone: 09 831 0205