

Operational statement

OS 19/02

Persons who are permitted to confirm an income statement of a deceased person or provide information to the Commissioner to finalise the tax account of a deceased person

Introduction

This operational statement lists the persons who are able to confirm an income statement of a deceased person under s RZ 15 of the Income Tax Act 2007 (ITA 2007) and who can provide information to the Commissioner to finalise a deceased person's tax account under s 22F of the Tax Administration Act 1994 (TAA 94) where the deceased does not have a will and no executor or administrator has been appointed.

Application

This operational statement applies from the date that it is signed.

Summary

The following persons may confirm an income statement issued in respect of the income years from 1 April 2008 to 31 March 2019 where the income statement was issued in respect of a deceased person who died without a will and an executor or administrator has not been appointed:

- The widow or widower of the deceased person
- A person who is the surviving civil union/de-facto partner of the deceased person
- A child of the deceased person
- A person who is entitled to administer the estate
- A person related by blood or marriage and be maintaining the deceased person's child/children
- A person who has the custody and control of the deceased person's child/children

The following persons may supply information to finalise income years from 1 April 2019 of a deceased person who died without a will and an executor or administrator has not been appointed:

- The widow or widower of the deceased person
- A person who is the surviving civil union/de-facto partner of the deceased person
- A child of the deceased person
- A person who is entitled to administer the estate
- A person related by blood or marriage and be maintaining the deceased person's child/children
- A person who has the custody and control of the deceased person's child/children

Discussion

1. Under s RM 5 (repealed from 1 April 2019) of the ITA 2007, a person who receives an income statement that results in a refund of more than \$600 must confirm that the income statement is correct before the refund can be issued.
2. Where the person has died, the executor or administrator of the person's estate will be able to confirm an income statement by virtue of s 43 of the TAA 1994. However, where the person has died without making a will and no executor or administrator has been appointed, it was unclear as to whether relatives of the deceased person would be able to confirm the income statement and receive the refund.
3. Therefore, s RZ 15 of the ITA 2007 has been introduced to allow certain classes of persons to confirm the income statement of a person who has died and for whom no executor or administrator has been appointed where the amount of the refund does not exceed \$15,000. Section RZ 15 applies to income statements issued in respect of the 2008/2009 income year and succeeding income years up to the 2018/2019 income year.
4. The Commissioner must publish a list of the classes of persons who are considered likely to have had a relationship with the deceased person such that they are likely to be best placed to confirm an income statement of the person.
5. In compiling the classes of persons, the Commissioner has made reference to section 65 of the Administration Act 1969 which prescribes the persons that may be paid any monies that are owing to a deceased person and there is no executor or administrator having been appointed.
6. Going forward from 1 April 2019, income statements are to be replaced with a new regime in which Inland Revenue will calculate the tax liability or refund for a person who is in receipt of "reportable income" which includes a PAYE income payment and a payment of resident passive income. Under s 22F of the TAA 1994, if the person earns income other than reportable income, they will be required to advise Inland

Revenue of this so a correct assessment of the tax to pay or refund due can be issued.

7. Where the person is deceased, the executor or administrator of the estate will be able to supply information of income and expenses on behalf of the deceased. However, like the situation with the confirmation of an income statement, where a person has died without a will and no executor or administrator has been appointed, it would be questionable whether relatives are permitted to supply the information to finalise the tax account of the deceased.
8. To avoid doubt, ss 22F(5) and (6) of the TAA 1994 provide that the Commissioner must publish a list of the classes of persons who are considered likely to have a relationship with the deceased person such that they are likely to be best placed to provide income information on behalf of a deceased person.
9. As with s RZ 15 of the ITA 2007, the classes of persons that are able to provide income information on behalf of a deceased person are based on those prescribed in section 65 of the Administration Act 1969.

Operational practice

10. A person who wishes to confirm an income statement of a deceased person or wants to provide information to the Commissioner to finalise the tax account of a deceased person must complete the form [IR 625](#), available on the Inland Revenue website.

This Operational Statement is signed on 4 April 2019

Manager, Technical Standards, OCTC

Legislation

RZ 15 Treatment of certain refunds made on income statements: 1 April 2008 to 31 March 2019

When this section applies

- (1) This section applies for the period that starts on 1 April 2008 and ends on 31 March 2019 when—
- (a) an income statement has been provided to a person for a tax year and the result is that an amount of tax must be refunded to the person; and
 - (b) the person is a deceased person for whom no executor or administrator has been appointed; and
 - (c) the amount is—
 - (i) more than the confirmation threshold applying for the person at the time the income statement was provided; and
 - (ii) not more than \$15,000.

Persons confirming correctness of statements

- (2) The Commissioner may allow a person appearing on the list described in subsection (3) to confirm, to the best of their knowledge, the correctness of the income statement on behalf of the person.

List of classes of persons

- (3) The Commissioner must publish a list of the classes of persons who are considered likely to have a relationship with a deceased person and that the Commissioner considers may be best placed to confirm an income statement of a deceased person.

22F Information requirements

Obligations for information on other income

- (1) Subject to section 22K(1), an individual must provide information to the Commissioner for a tax year on the total amount of assessable income that they derive for the corresponding income year to the extent to which the amount is not reportable income, see schedule 8, part A, table 1.

Obligations for reportable income information

- (2) No obligation to provide information for a tax year arises in relation to an amount of reportable income that is not included in an individual's pre-populated account for the tax year unless the individual knows, or might reasonably be expected to have known, that the amount should properly be included in their final account for the tax year.

Additional amounts

- (3) An individual may provide information for a tax year on an amount set out in schedule 8, part A, table 2.

Benefits under employee share schemes

- (4) Subsection (1) does not apply to an amount of income that is a benefit that a person receives under an employee share scheme to the extent to which their employer has included information relating to the benefit in their employment income information under section 23K and schedule 4, table 1, rows 4 and 7.

Information provided on behalf of deceased individuals

- (5) In order to finalise the account of a deceased individual under section 22H, the Commissioner may allow a person appearing on the list described in subsection (6) to provide, to the best of their knowledge, income information on behalf of the deceased individual.

List of classes of persons

- (6) The Commissioner must publish a list of the classes of persons who are considered likely to have a relationship with a deceased individual and that the Commissioner considers may be the sort of person who is best placed to provide income information on behalf of a deceased individual.