



Tax Data in Official Statistics: Opportunities and Challenges

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The importance of use of administrative data for the production of official statistics is recognized in Principle 5 of the United Nations Fundamental Principles of Official Statistics. A robust trend is observed for increasing use of administrative data for statistical purposes. Statistical authorities use administrative data in two different ways – as a data source for published statistics, and in compilation of the sampling frame for statistical surveys of businesses. Sample data from administrative records and data bases are an important data source for the national accounts, regional economic accounts, different economic and social research. In future, many statistical agencies would like to make more use of administrative data for statistical purposes in order to reduce compliance costs for business, particularly smaller businesses.

Data collected within the tax administrative system offers opportunities to complement existing sources of official statistics, to support wider uses of available data, or to minimise provider load within existing outputs. In the New Zealand context, use of tax data offers the opportunity to add value to the production of official statistics in a number of ways. Tax administrative data sources in New Zealand tend to be almost universal for some customer categories, that is, they may operate as an effective census. This can be done at comparatively low cost and with no additional response burden.

Using tax records for official statistics purposes, however, is only possible within strict legislative requirements aimed to protect both integrity of the tax system and taxpayer confidentiality – fundamental principles underpinning any tax agency.

The presentation will cover the wide spectrum of applications of taxation data in the New Zealand official statistics. The examples include use of tax data in the Statistics New Zealand's Integrated Database Infrastructure, publishing tax statistics on the national and subnational level, release of confidentialised unit record files, participation in the Open Data initiative. Key issues such as protecting privacy and confidentiality, managing data quality and collaboration with other parties will be addressed.

Keywords: official statistics; tax data; confidentiality; response burden.