



Inland Revenue
Te Tari Taake

New Zealand's experience

GST and the platform
economy

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Deemed supplier rules took effect on 1 April 2024

They apply to specific activities in the platform economy

Deemed supplier

Marketplace operators are the deemed supplier of the following services supplied by underlying suppliers through an electronic marketplace:

- ridesharing and food and beverage delivery (transportation services)
- short-term rental accommodation.

Opt-out arrangements

Some larger-scale GST-registered underlying suppliers can choose to remain responsible for their own GST obligations.

Flat-rate credit scheme

Underlying suppliers not registered for GST will receive an 8.5% flat-rate credit to prevent over-taxation of their supplies.

Flat-rate credit had trade-offs

It introduced complexity but helped mitigate compliance costs

Costs

- Added **complexity** for platform operators.
- Difficulties where **multiple parties** are involved in supplies of short-term rental accommodation (for example, property managers and hosts).

Benefits

- Reduced incentive for **voluntary GST registration** for most underlying suppliers.
- Prevented **over-taxation** by giving small suppliers a proxy input tax credit.
- Minor **administrative benefit** for Inland Revenue.



On balance, the Government decided to proceed with the flat-rate credit scheme.

Consultation to law to implementation to fixes

What it took to make the changes work



Engagement with platforms

What worked and what we learned

What happened

- A lot of energy went into opposing the changes.
- Constructive technical input arrived much later.
- Fixes and clarifications continued needing to be made.

What we'd do next time

- Front-load technical workshops with tax teams from the affected platforms.
- Be explicit early on: what is fixed politically vs where feedback can shape detail.
- Publish timelines and minimum lead times for system changes.



Policy choices were largely political and early technical cooperation improves workability.



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Thank you

