



14 December 2022

Anatole Sergejew
Fyi-request-21319-abf914a6@requests.fyi.org.nz

Dear Anatole Segejew

Thank you for your request made under the Official Information Act 1982 (OIA), received on 2 December 2022. You requested the following:

Could you please advise if there has ever been a "blue line test" regarding the need to declare income from having a tenant staying in part of your own home.

I have interpreted the term "blue line test" to mean "bright-line test". The bright-line test or bright-line rules apply when someone sells a residential property within a set period after acquiring it, they may be required to pay income tax on any profit made through the property increasing in value.

To answer your question, there has not been a bright-line test relating to declaring income when a tenant is staying in your home. However, information on renting out a room in your home and declaring your rental income can be found on Inland Revenue's website here: <https://www.ird.govt.nz/property/renting-out-residential-property/tax-by-rental-property-type/renting-out-a-room-in-my-main-home>.

Thank you for your request.

Yours sincerely

A handwritten signature in blue ink that reads 'P Fulton'.

Paul Fulton
Acting Policy Lead