



15 December 2025

Ref: OIA 25-826

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### Response to your request under the Official Information Act 1982

I acknowledge your email to the Department of Inland Revenue received on 11 November 2025. On 19 November 2025, your request for the following information was transferred to the New Zealand Customs Service (Customs) under the Official Information Act 1982 (the Act):

*"As reported in NZHerald: "The tax break for Heated Tobacco Products (HTPs) made by Phillip Morris has been extended for an extra two years. In July 2024, the Government cut the tax on HTPs in half, in what it said would be a one-year trial subject to an evaluation. But NZ First Associate Health Minister Casey Costello told RNZ the evaluation would now be done in July 2027 and the reduced tax rate would apply to HTPs at least until then"*

*I would like to find out the total amount of tax paid by Philip Morris and what does 50% tax is projected add to for the entire term of this tax rebate. In NZD please. Thank you in advance.*  
Ref: <https://www.nzherald.co.nz/nz/government-extends-tax-break-for-philip-morris-heated-tobacco-products/GPX6R3P7XNFWH1WR5K7HFL3XCU/>

Your request can be broken down into two parts. I have provided Customs' response to both parts of your request below.

#### Part One

*I would like to find out the total amount of tax paid by Philip Morris -*

Customs has interpreted this part of your request to mean the total excise-equivalent duty applicable to Heated Tobacco Products (rather than all taxes paid), by all importers of these products, and for the 2024/2025 financial year.

The amount for Philip Morris is withheld under section 9(2)(ba)(i) of the Act 1982, that withholding the information is necessary to protect information that is subject to an obligation of confidence, or which any person has been or could be compelled to provide under the authority of any enactment. Making this information available would likely prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Importers are required to provide Customs with import entry information under the Customs and Excise Act 2018. It is considered that the provision of information would likely be prejudiced in future if Customs were to release information that is considered to be commercially sensitive.

However, we are releasing the total excise-equivalent duty for all Heated Tobacco Product imports for the 2024/25 Government Financial Year (1 July 2024 to 30 June 2025), which was NZD \$2,257,792.79.

As required by the Act, where information has been withheld under section 9 of the Act, Customs has considered the public interest arguments for making this information available. On balance, Customs considers that the public interest arguments in favour of making this information available do not outweigh the necessity to withhold this information.

## Part Two

*What does 50% tax is projected add to for the entire term of this tax rebate.*

Official projections of the total revenue impact (tax reduction) are published in table 2.14 (on page 60) of the [Budget Economic and Fiscal Update 2025 - 22 May 2025](#). Those revenue figures include estimates of both direct and indirect effects of the change. Indirect effects include, for example, an expectation that some smokers may switch to consuming Heated Tobacco Products, replacing items that generate higher excise or excise-equivalent duty revenue with products which generate less excise-equivalent duty.

You have the right, by way of complaint to the Office of the Ombudsman under section 28(3) of the Act, to seek an investigation and review of this decision. Information about how to make a complaint is available online at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or you can phone 0800 802 602.

If you have any queries in regard to this response, please contact the Correspondence, Reviews and Ministerial Servicing Team: [OIA@customs.govt.nz](mailto:OIA@customs.govt.nz).

Please note that Customs proactively releases responses to Official Information Act requests on our website. As such, we may publish this response on our website after we have sent it to you. Your name and contact details will be removed.

Yours sincerely

**s9(2)(a)**

Group Manager, Policy and Strategy