

## Tax disputes – what if Inland Revenue sends a NOPA?

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A tax dispute with Inland Revenue can arise in a number of ways. A typical start to the process may be if Inland Revenue issues a Notice of Proposed Adjustment (NOPA) because they disagree with a tax return and are proposing to amend it. The issue of a NOPA is the first step in a disputes resolution process. The Inland Revenue guide has more detail on disputing an assessment (see [IR777](#)).

If you disagree with the adjustments proposed by Inland Revenue in the NOPA and wish to dispute it, you are required to issue a Notice of Response (known as a NOR) to Inland Revenue within two months.

### What is the disputes procedure?

The disputes procedure can be long and involved but the aim is to encourage you and the Inland Revenue to openly discuss matters and attempt to resolve the dispute. The process is broken down into identifiable phases:

- issue of a NOPA
- issue of a Notice of Response ('NOR')
- conference phase
- disclosure including exchange of a statement of position ('SOP') by you and Inland Revenue
- adjudication and review of dispute by an independent unit of Inland Revenue
- assessment or amended assessment if applicable, and
- litigation (if the adjudication unit does not find in your favour and you choose this option)

### Timeframes

The disputes process has strict legislative timeframes and requirements. If you do not meet these timeframes or requirements you are likely to be deemed to have accepted Inland Revenue's position. If that occurs, you will have lost your right to dispute the correctness of the position proposed in Inland Revenue's NOPA.

You have two months to respond to an Inland Revenue NOPA from the date the Inland Revenue issued it (not the date we received it).

### What do I do next?

If you do not agree with the proposed adjustments outlined in Inland Revenue's NOPA, you need to issue Inland Revenue with a NOR within two months from the date Inland Revenue issued its NOPA (not the date it is received). If this timeframe is not met, you are deemed to have accepted the Inland Revenue's proposed adjustments. Inland Revenue will then issue you with a Notice of Assessment.

There are other ways that a dispute may emerge, but they all have the basic process in common. We hope you never have to deal with a dispute. However, if it occurs, it's important to act promptly and be aware the clock is ticking on specific obligations within specific timeframes. We can help you to determine what's required, explain the process, its estimated costs and timeframes, and then prepare the required legal documents for you.