

22 April 2022

[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 5 April 2022. You requested the following:

*As more & more information is surfacing about the illegality or non-compulsory status of taxes, could you please provide me with proof, that taxes in NZ are compulsory? NZ is a Corporation under the British East India Company, a private entity. This would make taxes non-compulsory.*

### **The authority of the New Zealand Parliament to pass laws, in particular the Inland Revenue Acts**

The courts have confirmed that the Sovereignty of the New Zealand Parliament to pass laws binding all those within the boundaries of the country is absolute. The New Zealand Parliament is empowered to make legislation and the Acts of Parliament are binding on all persons within the territory of New Zealand; that is both Pakeha and Māori (*R v Mitchell* (CA68/04, 23 August 2004).

Successive New Zealand Parliaments have been validly held and have passed valid legislation, including the various Inland Revenue Acts.

Inland Revenue was originally established through the enactment of the Inland Revenue Department Act 1952 and is now constituted by section 5 of the Tax Administration Act 1994 (TAA).

The general legislative authority for imposing and collecting taxes lies in the various Inland Revenue Acts, which are listed in schedule 1 of the TAA. More specifically, Part B of the Income Tax Act 2007 (ITA) provides for the imposition of tax on income, and Part R provides for payment of tax by customers on their own behalf and by way of source deductions. Section 8 of the Goods and Services Tax Act 1985 provides for the charging of GST on goods or services supplied in the course of carrying on a taxable activity.

The above parts of the ITA confirm that income tax is imposed (compulsory) and is not voluntary. Since tax obligations are imposed by statute, persons are not able to opt out of them, and they remain obligations whether they comply with them voluntarily or not. Those who do not pay the tax that is due from them or otherwise do not meet their obligations under the tax Acts will find themselves in breach of the law and subject to the penalties imposed by the law.

### **Publishing of OIA response**

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you again for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Louise Bastion  
**Technical Specialist**