



8 November 2024

[REDACTED]
[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 14 October 2024. You requested the following:

- 1. Could you please clarify if GST has been added to rates?*
- 2. If rates were added, how much is added?*
- 3. Can ratepayers get a refund for rates and/or the GST on rates if there is some?*
- 4. Are rates a property tax?*
- 5. Are taxes voluntary?*
- 6. What legislation are rates under for any tax purposes?*

Question 1

Yes, GST is added to rates. The New Zealand Goods and Services Tax (GST) regime has been designed to apply to the widest possible range of goods and services with minimal exceptions and at a flat rate. Rates notices will have GST applied and invoices are expected to meet the taxable supply information requirements that came into effect on 1 April 2023.

Question 2

The current rate of GST is 15%.

Question 3

Inland Revenue does not provide such refunds. Queries about rates relief or refunds should be directed to the supplier issuing the rates notice.

Taxpayers in business can claim related expenditure and GST paid as part of completing their GST and/or income tax obligations. However, private expenditure such as the rates on an individual's home would not generally be claimable.

Question 4

The term "rates" often refers to specific levies imposed by local or regional councils for goods and services provided and are financial contributions that property owners are expected to make. They do not form part of the various Inland Revenue Acts.

Question 5

No. Tax obligations are imposed by statute which are not able to be opted out of, and remain as obligations whether they are complied with voluntarily or not.

Question 6

The general legislative authority for imposing and collecting taxes that Inland Revenue administers lies in the various Inland Revenue Acts, which are listed in Schedule 1 of the Tax Administration Act 1994. More specifically, Part B of the Income Tax Act 2007 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 deductions from a source of income. Section 8 of the Goods and Services Tax Act 1985 provides for the charging of GST on goods or services supplied while carrying out a taxable activity.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue’s website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Raelene Stewart
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