



15 September 2023

[REDACTED]

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 18 August 2023. You requested the following:

- 1. Can you forward the legislation that states that I must remain registered for GST once the 60k threshold has been reached and that as a business you must remain registered for GST in the following financial year without any exceptions please.*
- 2. If there are exceptions within the legislation then I am requesting all documentation in regards to this.*
- 3. What protocols are in place if misinformation I have received from an IRD representative has resulted in a bill that I would have otherwise paid please.*

Question 1

The GST registration and registration cessation requirements are contained in sections 51 to 54 of the Goods and Services Tax Act 1985 (GST Act). Section 51 specifies when a person must register and section 52 covers when a person may cease their GST registration. Sections 53 and 54 set out other notification and liability requirements.

In accordance with section 51(1)(a) and (b) of the GST Act, if you are carrying on a taxable activity you must be registered for GST if your turnover was over \$60,000 in the last 12 months and/or there are reasonable grounds for believing the turnover will exceed \$60,000 for the next 12 months.

Upon request, section 52 allows an existing registration to be cancelled where the Commissioner of Inland Revenue is satisfied taxable supplies won't exceed \$60,000 in the next 12 months. Where the registered person ceases to carry on a taxable activity, they must notify the Commissioner to cancel the registration within 21 days.

The 12 month timeframes referred to in sections 51 and 52 relate to any 12 consecutive months and are not linked to a financial year.

The information you have requested can be found on www.legislation.govt.nz by searching for "Goods and Services Tax Act 1985" or "GST Act". As such, this part of your request is refused under section 18(d) of the OIA, the information requested is publicly available.

Question 2

As referred to in the legislative references above, a person will not be liable to be registered if the Commissioner is satisfied their supplies for the next 12-months will not exceed the \$60,000 threshold. At this time a person meeting the requirements may request to have an existing GST registration cancelled.

In respect of not being liable to be registered, or ceasing an existing registration, sufficient supporting information should be provided to satisfy the Commissioner of the reasonable grounds relied upon to expect that turnover will not exceed \$60,000 in the next 12 months. Information to be provided is not prescribed but is determined on a case-by-case basis specific to the given circumstances.

As such, this part of your request is refused under section 18(e) of the OIA, the document alleged to contain the information requested does not exist.

Question 3

If a person believes they have received incorrect information from Inland Revenue, it is recommended they contact Inland Revenue and provide details of the situation including the information that was provided by the person to Inland Revenue, the information believed to be incorrect received from Inland Revenue, and how this has had an adverse effect on their tax position. From there, an appropriate course of action can be determined. Inland Revenue does not have a set protocol, but instead determines what steps to take after a customer has advised us of the issue. As such, this part of your request is refused under section 18(e), the document alleged to contain the information requested does not exist.

Further information outlining the different circumstances where the Commissioner's advice may be incorrect, and the relevant outcomes, can be found on Inland Revenue's tax technical website www.taxtechnical.ird.govt.nz by searching for "Status of Commissioner's advice".

Right of Review

If you disagree with my decisions on your OIA request, you can ask an Inland Revenue review officer to review my decisions. To ask for an internal review, please email the Commissioner of Inland Revenue via: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman via email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

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 for your request.

Yours sincerely



Richard Philp
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