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Did you know:

- 1) "Income" tax is a tax on profits not wages or salaries.
- 2) When you do work for money it is an even exchange –there is no profit.
- 3) You can only give your wages or salary away voluntarily, unless
- 4) You Deposit Them Into A Bank Account.

The following information is based on New Zealand and American Tax laws. It is the result of many good men's efforts to find out the truth of the income tax. Many people are either behind bars or suffering relentless harassment from tax departments today because we are told that the payment of Income Tax is voluntary. However if/when we do not pay it the Tax Department comes down on us like, well, like the Tax Department. We now know why.

Back in the good ol' days the Income Tax Acts were extremely clear on what exactly constituted "**income**". It was defined as clear as day in the definition sections of the Acts. Check out the definition section in the first ever Income Tax Act in New Zealand; [the Land and Income Assessment Act 1891](#) which states:

“Income,” when used alone, means any **gains or profits** derived or received by any company or person in any year, or by any means, or from any source, which is made the subject of taxation under this Act :

In the first update to the act; the Land and Income Assessment Act 1908 they even define “profit”:

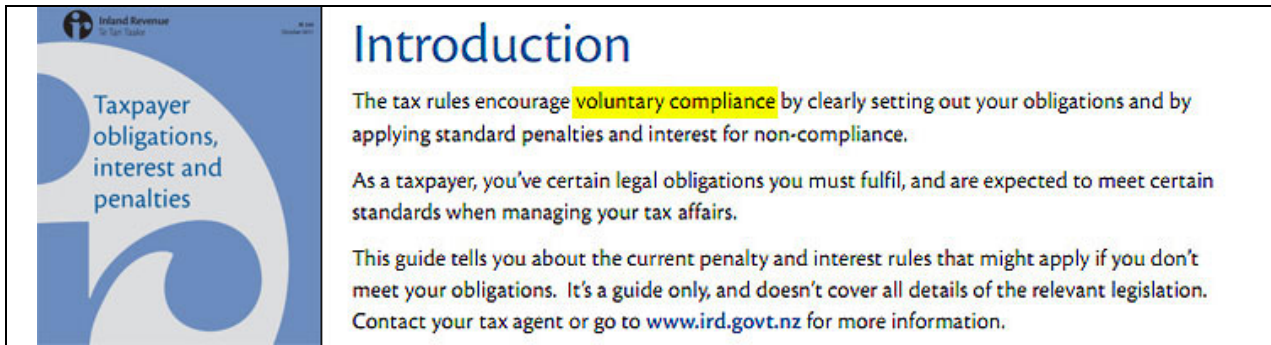
“ Profit ” includes gain :

These days the Tax Department does their best to hide the definition by leading us on a wild goose chase around the Income Tax Acts and in the end never properly define **income** at all.

Why?

If you really want to go down the rabbit hole the answer is because we are all victims of a conspiracy by international banksters who over the last 100 years have set up central banks in every country on earth and they now dictate our nation's monetary policy free from the influence of parliament. Since gaining power these central banks have done a very good job of not only obfuscating the definition of **income** but also indebting us and our governments all in the name of global control.

On the lighter side of life the answer is because they seek to fool us into thinking our wages and salaries are **income** and then have us voluntarily giving a large portion away to them. That is why they always use the words "voluntary compliance" in their handbooks.



How can something be voluntary if there is standard penalties and interest for non-compliance? That is a complete perversion of logic!

So for those of you who have been fooled into believing all your life that your wage or salary is **income**, let's clear up the misconceptions on the definitions:

Wages and Salaries:

The first and most important thing to understand is that when you do work for money there is no profit or gain. A worker gives up their time, energy and skills in return for money. They make a loss and are therefore compensated. The courts define wages as "*even exchange of labour for money*".

An individual can however derive **income** from their wages/salary. An example might be investing wages/salary in shares of a company and been paid dividends on the investment. Those dividends are pure profit for the individual, they fall under the definition of **income** and are therefore taxed.

Profits:

Businesses are run for profits. They buy and sell capital and/or labour and after taking into account their costs (including salary and wages) they generally make a gain/profit. This profit falls under the definition of **income** and is therefore taxed -fair and simple.

The Supreme Court in America has ruled on many occasions that wages and salary are **NOT income**. See below:

Oliver v. Halstead, 86 S.E. Rep 2nd 85e9 (1955): "*There is a clear distinction between 'profit' and 'wages', or a compensation for labor. Compensation for labor (wages) cannot be regarded as profit within the meaning of the law. The word 'profit', as ordinarily used, means the gain made upon any business or investment -- a different thing altogether from the mere*

compensation for labor."

Lucas v. Earl, 281 U.S. 111 (1930): "The claim that salaries, wages, and compensation for personal services are to be taxed as an entirety and therefore must be returned by the individual who has performed the services which produce the gain is without support... it is not salaries, wages, or compensation for personal services that are to be included in gains, profits, and income derived from salaries, wages, or compensation for personal services."

Conner v. U.S., 303 F Supp. 1187 (1969): "... whatever may constitute income, therefore, must have the essential feature of gain to the recipient. This was true when the 16th Amendment became effective, it was true at the time of *Eisner v. Macomber* Supra, it was true under Section 22(a) of the Internal Revenue Code of 1938, and it is likewise true under Section 61(a) of the I.R.S. Code of 1954. If there is not gain, there is not income ... Congress has taxed income not compensation."

Edwards (vs) Keith, 231 F110, 113 (1916): "The phraseology of form 1040 is somewhat obscure But it matters little what it does mean; the statute and the statute alone determines what is income to be taxed. It taxes only income "derived" from many different sources; one does not "derive income" by rendering services and charging for them... IRS cannot enlarge the scope of the statute."

Lauderdale Cemetary Assoc. v. Mathews, 345 PA 239; 47 A. 2d 277, 280 (1946): "... reasonable compensation for labor or services rendered is not profit."

If this is true in America it is most certainly true in New Zealand. The Federal Government of the United States of America used to define **income** as clear as day in the statutes as did the New Zealand Government. If it was profits and gains in 1891, it is profits and gains in 2012 -unless something has changed that we are unaware of?

So why are people going to jail these days for not giving the tax department a large portion of their salary or wages? Because in every case with few exceptions there is a very significant contract that [almost] all of us have signed agreeing to the rules of the tax man. This contract is found at our bank.

Have you ever read your bank account contract?

The terms and conditions state roughly that we agree to pay "all taxes, levies, fees and duties associated with the use of this account". That contract clause, because it benefits a third party (the tax man), can be enforced (in New Zealand) by the I.R.D. using [the Contracts \(Privity\) Act 1982](#).

Of course, do not expect either the I.R.D. or the Court to admit this to you. But you will lose any court case, and this will be why.

kiwi bank It's ours

General terms and conditions for personal banking

5. What fees and costs do you have to pay?

Fees and costs

We will deduct from your **account** any government charges or levies that you (or we on your behalf) are required to pay. We will, if required by law, deduct taxes from any interest credited to your **account**. If you have not given us your IRD number, or clearly informed us of your tax or residency status, we may be required to make these deductions at a higher tax rate.

If we incur any **costs** in relation to your **account** or for any services we provide, then you must pay us the amount of those **costs**. We will deduct any **costs** that we incur from any of your **accounts**.

Tax residency

Different tax obligations and rates apply depending on your tax residency. You must advise us if you are "resident in New Zealand" for New Zealand income tax purposes (and if not, in which country you are tax resident). You must also advise us if your tax residency changes.

For further information on your tax residency, please talk to your taxation adviser, or contact the Inland Revenue Department directly or by visiting www.ird.govt.nz.

Generally what happens today when an individual does not meet his or her "income tax obligations" the Commissioner of the Tax Department makes an assessment based on their bank deposits and the individual must challenge this assessment in a particular way in Court. The Court then simply says

that it has no authority to look behind the Commissioner's assessment, and so it will not listen to any arguments about it. Valid counter-claims such as whether the Commissioner actually assessed **income, wages, salary, profit** or an **even exchange** are null and void because the clause in the bank account contract trumps every argument. That is why when we do not comply the tax man simply deducts the assessed amount directly from our bank account.

So there you have it. That is the reason they no longer define **income** in the Income Tax Act. If they did it would reveal the truth of the system. **Income** is profits OR any deposit into a bank account. This is not a legal definition, but how they enforce a tax on your wages and salary from a practical standpoint. So it is the "real world" definition of the term.

So if you do not care for the above tax, terminate the relevant contract (Bank Account) and remember this motto:

CASH IS KING!

If you are an employee in New Zealand your right to receive 100% of your pay cheque is protected under Section 4 of the Wages Protection Act, and your right to receive your wages in cash is protected under section 7. Unfortunately due the severity of the indoctrination most of us have all received during our lives most employers react badly well when asked to pay an employee's wages or salary in cash with no deductions. This can however be sorted out by the employment court.

If you are a contractor the default payment method for all Bills Of Exchange (invoices) is money (cash) and any other payment methods must be ok'd by you. As detailed above, we recommend that you do not accept private bank credits.

If you stick to the above criteria your end of year Income Tax Return Acknowledgement should look exactly like the one on page 7.

If you need a helping hand informing your employer of your desire to receive 100% of your pay check copy and paste the following into a word processor, sign it and give it to them.

Dear Boss,

I am writing this letter to call your attention to the provisions of the Wages Protection Act 1983 (hereafter, "the Act"), and to require that you meet the provisions of that Act in relation to the wages you pay me.

Firstly, I do not believe I have given you a written request or written consent to pay me in a manner other than as required under section 7 of the Act, but for the avoidance of doubt, I hereby revoke any consent to be paid anything other than "money" as defined in the Act.

I therefore require you to pay me only in New Zealand coin or New Zealand banknotes or a combination of both. You will note that this does not allow for the private bank credit you have previously used.

Secondly, in accordance with section 5 (2) of the Act, I hereby withdraw all consent for the deduction of PAYE and/or any other taxes from my pay, and I require you to pay me the full amount due, without deduction.

Take note that should you fail to comply with the two above requests within two (2) weeks of this letter, or as soon thereafter as reasonably practicable, it will be taken as a breach of your contract with me, and you may be taken to the Employment Court without further notice.

Thank you for your timely attention to these matters,

Yours sincerely -Employee.

But what about the roads?

This question inevitably arises almost every time the above information falls on ears for the first time and inevitably brings forth much bigger questions and answers than the ears generally would like to hear but, is a great example to lead with.

In New Zealand, a significant portion (almost half) of the price of every tank of fuel is made up of Government taxes and levies. As at December 2012, 61.13 cents per litre is collected by the government as fuel excise tax. In addition, a GST of 15% is collected on the overall price of fuel. There are no taxes on diesel other than GST. Instead, diesel vehicles pay Road User Charges. All fuels also pay an Emissions Trading Scheme levy of between 1-3 cents per litre.

This should pay for all of our roading needs however at the moment the New Zealand government is undertaking massive new roading projects all around the country so they are putting petrol taxes up to pay for it. This is just one example of a way to indirectly tax the people in order to raise the necessary funds for a project.

However, this essay is was not prepared in order to justify the non-payment of the so called "**income**" tax. It was prepared to illustrate the outrageous deception perpetrated by our central bank, tax department and courts to tax our labour. The **income** tax was never meant to be a tax on our labour!

Here is some history:

In 1877, former Governor George Grey stood for election as Premier on a platform of introducing a land tax not because the colonial government needed more money, but because he believed the land tax would encourage people holding the largest amounts of land to break up their properties and sell land to settlers at more reasonable prices.

"Large areas of land, held often by absentees, lay idle and impoverished for lack of capital" reported scholars J.B. Condliffe and W. Airey in *A Short History of New Zealand*, first published in 1925.

Grey's land tax was duly introduced on undeveloped land, but property-owners found ingenious ways of fooling the government and avoiding the tax. It wasn't until "one man, one vote" was introduced that the ordinary workers were able to elect a government more capable of legislating against the wealthy landowners.

In 1891, Premier John Ballance passed New Zealand's first ever income tax, incorporated in the new [Land and Income Tax Act 1891](#), and directed it primarily at land values and corporate activity.

The first revision of that act was in the [Land and Income Assessment Act 1908](#) where the definition of income was made even clearer by defining "**profit**" as **gains**. However since then successive governments have been anxious to cast their tax net as widely as possible, opting for deliberate ambiguity in defining key terms in the tax legislation.

Why? Higher government revenue is the obvious conclusion but we seek to expose an even more sinister element behind the iron door that has not so much to do with financial gain and more to with total worldwide economic control. Down the rabbit hole we go:

Since the establishment of New Zealand's Reserve Bank our monetary policy has been determined by

the entity known as “The Crown”. For those who you who still think the crown is the Queen of England it may come as a shock to hear that it is not.

“The Crown” is a privately owned banking cartel that controls all national central banks in the world via their subsidiaries that include the Bank of International Settlements, The World Bank and the International Monetary Fund.

The Crown is located in “The City of London”. The City of London is a sovereign state with its own courts, laws, flag and police force.

It is located in the heart of greater London and became a sovereign state in 1694 when King William the third of Orange privatized the Bank of England and turned it over to the large European banking families such as Rothschild (German for red shield). Upon closer inspection of New Zealand’s Reserve Bank Crest you may notice something in relation to that name.

Today the city state of London is the world’s financial power centre and the wealthiest square mile on the face of the earth.

It houses The Crown, the private Bank of England, Lloyds of London, the London stock exchange, all British banks, the branch offices of 385 foreign banks and 70 US banks as well as Fleet Street's newspaper and publishing monopolies. It is also the headquarters for British Freemasonry.

And guess what? They (The Crown) direct New Zealand’s monetary policy free from the influence of our executive, judicial or legislative branches of government and also our Queen (Queen Elizabeth II who is *actually* our monarch).



The Reserve Bank of New Zealand Act 1989

1A Purpose

(1) The purpose of this Act is to provide for the Reserve Bank of New Zealand, as the central bank, to be responsible for—

(a) Formulating and implementing monetary policy designed to promote stability in the general level of prices, while recognising **THE CROWN'S** right to determine economic policy.

The Crown’s economic policy says that whenever the New Zealand government needs extra money over and above what it can raise from taxation it has to borrow it from private commercial banks, corporations and investors and then pay it back to them on a specified date with interest.

In a nutshell, our National Debt is payments to private commercial banks, corporations and investors and it is coming out of your wages/salary and our governments other tax revenue.

So the million dollar question is: Why does the New Zealand Government borrow money at interest when it has the authority to create the money it needs **debt free**?

That question, if answered publicly by our leaders in the know would see to a revolution of the sort not witnessed in centuries. The benefits are far too many to list in this essay but can be investigated further by visiting the website positivemoney.org.nz and clicking on the benefits tab.



Return Acknowledgement INCOME TAX

For enquiries, please contact:

YEAR ENDED 31 MAR 2012

Inland Revenue
Private Bag TAKAPUNA AUCKLAND
Telephone 0800 377 774

R RUSSELL
Commissioner of Inland Revenue

IRD number _____
 Date issued _____
 Self Assessment date _____

	As Acknowledged
Payment due for the year ended 31 MAR 2012	0.00

- Please pay any overdue amount immediately.
 - If you can't pay by the due date, please call the phone number above.
- | Due date | Details | Amount \$ |
|----------|---------|-----------|
| | | |
| | | |

Use the payment slip below when paying. Tear off here ▼ Keep this top part for your records.



Payment slip

IRD number _____

Post your payment in the Inland Revenue envelope provided to: P O BOX 1535 HAMILTON

INCOME TAX If the payment you're making is different from the payment due write the details here.	Payment due		
	Year/Period	Tax type	Amount \$
	Total payment made		