

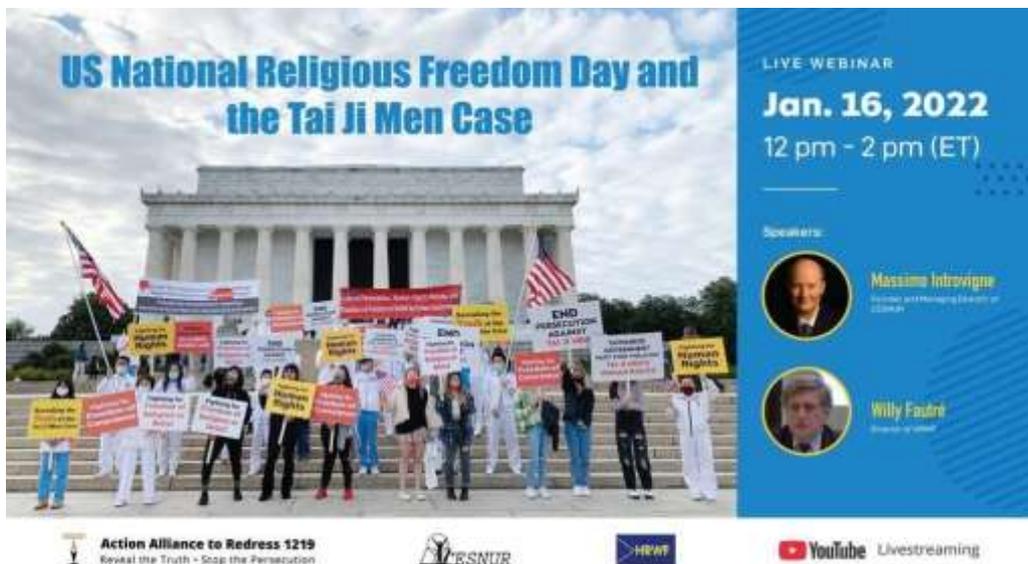
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## **Deliberate arbitrary taxation and fabricated tax evasion cases are violations of religious freedom**

***Contribution to the webinar co-organized by CESNUR, HRWF and Action Alliance to Redress 1219 on 16 January 2022, the US Religious Freedom Day***

By Willy Fautré, director of Human Rights Without Frontiers



HRWF (21.01.2022) - In 1993, the then President of the United States proclaimed January 16 "Religious Freedom Day" in remembrance of Thomas Jefferson's landmark Virginia Statute for Religious Freedom on January 16, 1786 adopted by the Virginia General Assembly. The statute would eventually become a foundational principle in the First Amendment to the U.S. Constitution, which preserves an individual's right to belief and to choose and exercise faith without government coercion or reprisal.

According to international human rights standards, freedom of religion or belief involves  
the right to have or not to have a religion or beliefs,  
the right to change or to retain one's religion or beliefs  
the right to share one's religion, beliefs or worldviews and to make new members  
the right to freedom of worship and assembly  
the right of association.

However, despite these fundamental tenets of freedom of religion or belief, states can demonstrate great ingenuity in developing policies which can unfairly and dangerously threaten its very essence. One of them is the deliberate arbitrary taxation of religious

organizations or even fabricated cases of tax evasion with the intention to destroy them financially.

This was the case of four religious and spiritual groups in France: Jehovah's Witnesses, the Evangelical Church of Besançon and two Aumist belief groups.

In 1996, the French National Assembly published a report about 172 allegedly dangerous cults (*sects* in French), which were almost portrayed as criminal associations. The Association of Jehovah's Witnesses was the first one to be targeted by the tax administration which unduly claimed the payment of 45 million Euros on manual donations.

Fifteen years later, the European Court of Human Rights found a violation of Article 9 (the right to freedom of religion). It noted that the manual gifts received by the association represented the main source of its funding and over-taxation of 60% imposed on the association was violating the right of its followers to freely exercise their religion in practical terms.

Subsequently, the other stigmatized religious associations benefitted from this pilot judgment and the French state had to reimburse all of them.

Some months ago, the High Court in Quebec (Canada) ruled

- that a Taoist Tai Chi Institute was to be regarded as a religious association rather than an institute for physical exercise,
- that it had therefore been illegally taxed by three cities and was to be reimbursed.

In Taiwan, in April 1997, Dr Hong Tao-tze, the founder and spiritual master of Tai Ji Men, was indicted by Prosecutor Hou Kuan-jen for alleged tax evasion concerning manual donations for the years from 1991 to 1996 by *dizi* to their *shifu*. This practice had forever been recognized as non-taxable and donations had always been tax exempt in the case of Tai Ji Men. The nature of the relationship between Tai Ji Men's *shifu* and his *dizi* has remained unchanged since the inception of the Tai Ji Men Qigong Academy 55 years ago; however, illegal taxes and heavy penalties were imposed on Tai Ji Men for six years based on the unlawful indictment. It took Dr Hong ten years to be declared non-guilty of tax evasion and all the defendants were acquitted on final appeal at the Supreme Court in July 2007. As the court had ruled that no tax was owed by Tai Ji Men, the tax bills should be revoked according to the law but they were not for the year 1992.

Prosecutor Hou as well as officials of the National Taxation Bureau (NTB) and the Administrative Enforcement Agency (AEA) lost their face in this matter. They should have also lost their bonuses, a vicious system which creates a conflict of interest encouraging illegal over-taxation and even fabrication of tax evasion cases for personal winnings.

However, artificially and illegally, the two state institutions maintained their prosecution against Tai Ji Men for an allegedly unpaid tax on *dizi*'s donations to their *shifu* dating back to 1992, despite the fact that, in July 2007, the Supreme Court ruled that the donations were gifts, which were tax-exempt income and nontaxable. In addition, the Supreme Administrative Court of Taiwan concluded that its previous final judgment for 1992 tax bill had failed to take into account new facts and evidence, and that the 1992 tax decision is unjustified. The consequence of this administrative abuse was that in late August 2020, Taiwan's Administrative Enforcement Agency and the National Taxation Bureau arbitrarily seized and auctioned the land intended for a self-cultivation center for Tai Ji Men *dizi*.

Despite the international jurisprudence set in stone in France and in Quebec, Taiwan is still failing to do justice to Tai Ji Men.

In Taiwan, for 25 years, the taxation administration has been turning a deaf ear to outside experts and has not consulted any. It has ignored all the court rulings and even the Supreme Court. It has illegally imposed taxes and auctioned Tai Ji Men's property instead of abiding by the highest national court, instead of apologizing and reimbursing Tai Ji Men.

A political decision should put an end to this denial of justice.

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