

Tax Working Group Public Submissions Information Release

Release Document

September 2018

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: [1]
Sent: Wednesday, 7 March 2018 10:09 AM
To: Hon Grant Robertson
Cc: TWG Submissions
Subject: Digital prepaid GST capture system on imports
Attachments: GST Loading.pdf; New Concept GST System.png

7 March 2018

Dear Hon Grant Robertson
Cc Tax Working Group
Cc Dr David Clark
Cc Stuart Nash

Digital prepaid GST Capture System on Imports

Thank you for your letter 29 January

This might be a better way to present this Grant to the Tax Working Group
I have attached an example of the Database loading keys. It has structure and function.

You may not be aware that the system I put forward is capable of handling all goods that enter this country through the use of an additional third party when necessary.

It is full digital, so size is not a factor, the cost is minimal, and it covers down to a zero value, so all inclusive.

Being prepaid it also avoids the bottle neck going through Customs waiting for payment.

It does not matter if the overseas company wants to work with the New Zealand Government or not this system will still work.

This System is two or three steps ahead of what the Australians are looking to introduce and without the gaps, whereas this operates more like a firewall and much more efficiently. Shifting the collection of monies owed back onto the purchaser and seller where it should be, as where the local GST is processed in New Zealand today. Letting Customs get on with doing their job.

The systems database keys integrates: the purchase details, the customs declaration, the GST collected, tariffs if any including TPP and automatically clears or not clears the goods status through customs.

When the goods enter the country, they are scanned with software not too dissimilar from how NZ Post now reads the letters or is manually inputted when necessary.

The search function on the database then scans the keys from left to right to match the item, (Transaction number first key) once the item is recognized and cleared it carries on to its destination.

If not, it is either investigated for more processing or confiscated.

Fear of not receiving goods purchased is a great incentive from the point of view of both seller and purchaser. This will encourage an increase in uptake from the overseas seller over a period of time.

The payments can be handled through a portal in the New Zealand Banking system and with all the money been spent on the new IRD system ideally it would be stationed there.

One of the important parts to making it work like clockwork is the tax payment and details need to be logged within the 24 hours or before the goods arrived.

When the banking system detects an overseas purchase, the portal automatically opens to the purchaser

This is also where an agreed third party could be involved and or for where any other outside arrangements that have been made.

Once the System is setup and running most of the loading keys will automatically auto-fill.
Most of this system already exists in other formats. So, the time to setup would not be that great.

Another great part of this system is its ability to run reports for collecting data. What is coming into this country? Where is the product going? Where is it from? Where are any irregularities? and how much is been collected? These are tools for future decisions in investment in this country.
This system would not be easy to cheat as it records all the data and that will leave a path.

GST is a Consumption tax and not everybody is paying, online sales are growing about 15% putting local Business at risk.

This should be treated as important under "fair to all New Zealanders"
This country needs a balanced tax system.

P.S Another shop went bust beside us today.
That will be \$100,000 less for the Government to spend per-annum
"So what is the harm in looking into this system?"

All the Best Regards
John Brensell
[1]



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