

## **Tax Working Group Public Submissions Information Release**

### **Release Document**

**September 2018**

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## FUTURE OF TAX SUBMISSION

I wish for the following submission to be heard please.

Introducing new taxes carries big risks of unforeseen consequences. And if the public affected by a new tax sees it as targeted and unfair, human nature dictates people will cheat the system to avoid this.

I am against introducing a 'wealth tax'. Let's call it what it is, a tax on savings. Many people do without in their earlier working life, and do not buy items on hire purchase, in order to save their money for a more enjoyable future retirement. A 'wealth tax' will disincentive people to save for the future.

This taxing people with a 'greater economic capacity to pay'. The personal tax system already increases the tax rate on those with a higher income.

There is little about creating incentives for productivity, and nothing on incentives to save. The whole implication of the background paper is that the nation's income is static, and for the poor to make gains it must be taken off the 'rich'.

I submit to not think of ways to reduce the wealth of people that earned it, but to focus on how to incentivize the people who are without 'wealth' (i.e. savings), methods for them to start thinking on saving (beyond Kiwisaver).

I know a number of people on large incomes who spend it all, and not cumulated any wealth. Similarly I know many people on low and modest incomes with savings or their own home. I agreed people on better incomes can save easier, and the tax rates already vary according to their 'savings ability'.

We have the bright line test which covers speculators regards land. That is enough. We do not need another tax on land, or capital assets.

GST, I submit to keep it as is. Adding more items of GST exclusion (like food) is too complicated and expensive to administer.

In summary I submit the system continues to tax at source of income, but not to 'double dip' by taxing 'wealth' (savings). And please to keep the taxes simple!

### GENERAL COMMENT:

The submissions background paper is very poorly written, repetitive, and makes many assumptions or claims that untrue or just plain made up. For example pages 4, 5, 6, 9, 15, 44: 'growing concern about inequality'. Says who? On page 44; '... a renewed interest in wealth taxes internationally despite the falling use of them in practise'. WHAT!

I just pray that the members of the working group come from a balance of society especially the business people that lead the production of this country's wealth.

By Lindsay Richards