

Tax Working Group Public Submissions Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [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.

Taxation

The taxation system has, over time, become complex, with a large cost to taxpayers to keep records and in time wasted seeking ways of minimising the amount owing. The administration cost to Government is considerable. It is also inequitable that tax as a % of the income of people at lower levels is much higher..

A simpler and fairer tax would be a fixed % levied on **all** individual expenditure. With digitalised financial systems this is now easily achievable.

Any loan to an individual would have to be via a bank and the initial loan and repayments would not incur tax. The bank fee to handle such loans would be controlled.

All payments by an individual can only be made through approved Banks, by phone, digital or credit/debit cards linked to that Bank. The Bank will levy the tax and remit the same on a daily basis to the Tax Department

It would necessitate the elimination of cash transactions above a given value. The value would be reduced over time and meanwhile all cash deposits would be taxed. Cash would be uninsurable.

To eliminate barter or offset agreements, those above a cumulative value within a given time, would be made illegal and parties with knowledge of or participating in such transactions would be made jointly and severally liable for all tax plus additional penalties.

Commercial enterprises of all types would pay no tax and they would only be permitted to pay individuals by direct credit to a NZ based bank account.

All foreign remittances would incur the tax and this would impact prices. However, this would reduce the overall tax % needed. All funds from overseas into a NZ individuals Bank account would receive a tax credit

A significant advantage would be that the Government revenues would be a steady flow and the tax could be quickly raised or lowered as circumstances require.

Excise Taxes

Excise taxes that are levied to curb undesirable consumption, such as those on alcohol and tobacco should be collected at the initial source of supply within the country and be applied to either education to reduce consumption or the health system. Those levied for specific purposes, as for example fuel taxes, must be applied directly towards the Government expenditure given as the reason for the tax.