

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.

TAX WORKING GROUP - SUBMISSION

Environmental Challenges.

Fresh Water. A tax on irrigation would be sensible as well as a high tax on the extraction of water for bottling or selling in any form, especially water that is exported, in which case the tax should be extremely high.

Emission of Pollutants. Current polluters should be taxed at a rate which deters them from such activities and compensates for possible loss of our future quality of life. The rate of tax should be variable according to the effects of the activity concerned. The Tiwai Point Aluminium Smelter, which is not only polluting adjacent air, land and sea but also having serious effects on the oyster industry, all currently subsidized by the taxpayer, is a good example of a polluter that should pay a pollution tax at the maximum rate.

Tourism and Visitors. There should be an entry tax for visitors of at least \$100 which could then be distributed to Local Authorities to assist paying for infrastructure. This would provide essential services that ratepayers are currently supporting, while most of us derive no benefit whatsoever and actually are negatively affected by the effect on infrastructure and on the natural environment.

Capital Gains.

Proposing Capital Gains Tax on Works of Art. I was a valuer at Sotheby & Co in London in the 1960's when such a tax was introduced on works of art. In 1965 items worth over GBP 1000 qualified for such a tax. I do not think it would be appropriate in NZ given that there are probably insufficient valuable works of art here to sensibly support such a move. A Capital Gains Tax on works of art could be highly disadvantageous to artists and other creative people who depend on sales of their work for their livelihoods.

A Capital Gains Tax on residential properties should not be considered. Encouragement should be given for residential property investment as there are insufficient rental properties available and that is one of the reasons why rents have escalated so much. Many families cannot now afford to own their own dwellings. If the numbers of residential rentals increased then there would be much more competition for tenants and possibly a lowering of rents. State Housing is not performing well and many State Houses have been sold off over the last few decades. Your video "Can tax make housing more affordable" is not logical in this regard in that there is no connection between imposing a Capital Gains Tax and housing becoming more affordable.

(The Nelson Mail, Monday 16 April 2018)

Tight rental market 'utter hell' for house hunters

Rental prices in the Nelson region have hit new highs, two reports show, on the back of a big fall in the number of rental properties available.

The median rent in Nelson/Tasman rose 10.5 per cent in the year to March to \$420 a week, according to the latest Trade Me Property Rental Index. The increase was second only to Hawke's Bay, where the median rent grew 14.3 per cent to \$400 a week.

Competition for rental properties in Nelson, resulting from the shortage, was described by one house-hunter as “utter hell”.

“I went to one [viewing] in Oxford St in Richmond, and about 30, 40 people must have turned up, if not more,” said the man, who doesn’t want to be named for fear of jeopardising the rental house in Stoke that has taken him and his family three months to find.

Land Tax.

Given that land is already taxed by local authorities via rates, a land tax would mean double taxation. A Land Tax would increase outgoings for already challenged home owners and would increase property rentals since it would be passed on to tenants. A land tax would also pose difficulties for farmers, many of whom are already challenged.

Tax on Multinationals and Overseas Corporations.

There should be a move to tax all overseas corporations earning funds in New Zealand properly as they are not contributing sensibly to the tax yield.

It would be acceptable for the Tax Working Group and Secretariat to make contact about any points raised, if required.

Anthony Opie

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