

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.

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

Submission to the tax working group

- **Funding to provide for increasing tourism.**

The need is obvious.

An answer is to introduce a Government levy on the exchange rate for the NZ dollar.

A system of exemption or refund by application would be required for exporters etc.

The funds used to assist local bodies to upgrade and maintain infrastructure.

- **Local Body Funding.**

Our district 10 year plan is proposing an average of greater than 6% increase in rates for the first year and 4-5% increases thereafter.

This is well above the forecasts for inflation and the rise in incomes.

Our local Council has advised that the current council funding system is not sustainable.

We have had our heads buried in the sand for too long.

There has to be an additional funding system to supplement the current land value based council rates.

The current thinking is that the government will have to step in to fund infrastructure improvements and maintenance.

However this will involve an increase in general taxation.

An answer is to introduce a levy on all funds leaving bank accounts and all other financial institution accounts.

ie: A form of financial transaction tax levied at a minuscule rate as to be perceived as a banking fee rather than a tax.

At a rate of 0.05% or 5 cents in \$100 would be more than needed.

The banking system would extract the levy and pay it to a fund independently administered to distribute the funds to local bodies.

This form of taxation collects funds from all sources currently not accessed by GST. ie: Internet etc.

There has to be serious consideration given to provide adequate funding for local bodies.

Sincerely

Trevor Ramsey.