

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.

From: Bill Mackay [1]
Sent: Thursday, 4 October 2018 9:34 PM
To: TWG Submissions
Subject: TWG Interim Report of September 2018

TWG INTERIM REPORT September 2018

It is clear from all the information provided and from submissions included, that there is a need to CHANGE taxation from the existing system.

As the existing INCOME TAX system is obviously hated, and does not provide FAIR taxation to because of the way business tax is assessed, the answer is to quit income tax entirely and establish a single EXPENDITURE tax.

As money is only useful when it is SPENT, it follows that if all taxpayers pay the same percentage of any purchase they make, there can be no argument that there are 'loopholes' that benefit one taxpayer differently from others.

An expenditure tax already exists in New Zealand (GST). It requires several matters to be corrected or modified, but is otherwise workable. The IMPORTANT matter is that EVERY legal entity pays GST on ANYTHING they buy. The buyer is the taxpayer and the seller is the tax collector. The seller gives a receipt to the buyer for the GST component, and remits the tax value to IRD electronically.

When GST is so organised, it will return at 15% sufficient revenue for government purposes.

As INCOME TAX would not then exist, it follows that dividends, interest and ALL sources of INCOME are no longer taxed, leaving only ONE tax method any person can easily understand. If nothing is PURCHASED there is NO tax liability. Electronic payments to the accounts already existing with IRD for all adults and businesses would make tax collection very fast and simple ... especially if it is done within fifteen days following actual receipt of the monies. (A vast change from the present time frame for INCOME TAX)

There is no real need to separate natural persons from corporate bodies in terms of paying GST.

In essence EXPENDITURE equals INCOME.

Sincerely

William Angus Mackay

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