

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.

Arthur Murray

[1]

25/Oct 2018

To

submissions@taxworkinggroup.govt.nz secretariat@taxworkinggroup.govt.nz

Dear Tax working group.

I was reading through the tax proposals in interim report posted on the internet. The proposals in respect of tax on property value increases, does not acknowledge and deal with a situation that many may find they are in. I have detailed below.

1. A parent (as I am) helping a son or daughter to get into a home is now common. Houses and land are outrageously priced compared to income. People either need help from the state or parents to begin the journey.
2. In my case because the amount needed to help the kids was significant we became 50% owners in one sons home and 45% in my other sons' home. They are their family homes,
3. Reasons for us as parents taking this path are varied; the most important is to protect our children and us against a loss in the event of a marriage failure.
4. In our case, there is no requirement for our kids to pay interest, or rent, or to repay.

The issue that concerns me is below

1. In the event the government introduces a tax in one form or another as outlined in the interim tax working group document, my children's homes could be classed as not being their exempt family home, as we have a home already. The kids have no other property.
2. In the event the part the kids own is classed as their family home and the part I own as a parent be subject to tax the parents or family assisting Children would suffer a loss and be badly disadvantaged. That is a disincentive to using savings and equity to assist the kids to get a foothold.

My request is consideration be given to the above set of circumstances and consider the following solution.

- The properties jointly owned with other family that are occupied as a primary family home by a joint owner, be treated as an exempt family home.

Signed

A Murray

