

Tax Working Group Public Submissions Information Release

Release Document

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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.

From: John Barr <action@campaignnow.co>
Sent: Wednesday, 31 October 2018 7:49 AM
To: TWG Submissions
Subject: Reply submission to Tax Working Group's interim report and proposals

Dear Sir Michael and members of the Tax Working Group,

This is a submission in reply to the proposals and questions set out in the Working Group's [Interim Report](#).

Why do Government employees pay Tax?

This seems obvious, but why not just reduce your wages to net take home for all employees of the government (not gross), and then don't tax them. They are paid by the tax of those who DONT work for government, so their tax money just ends up back in the IRD to be used to pay them. A pointless act which needs people to administer it and that adds cost where no cost is needed.

Indexation of income tax brackets

Many government benefits and entitlements are indexed — income tax thresholds should be no different.

I submit that the Working Group recommend legislating annual income tax threshold adjustments indexed to changes in average earnings, or, at minimum, inflation.

Capital taxation

New Zealand has one of the highest company tax rates in the OECD. The result is a low-investment, low-productivity economy. The Government must be committed to increasing New Zealand's productivity and allowing for greater growth in incomes.

Instead, the Working Group has put forward two proposals for an even higher tax burden on capital and investment. New Zealand will never become prosperous if we use an opportunity to review our tax system to simply punish entrepreneurship and investment.

I submit that the Working Group recommend Lowering Company Taxes to increase the investment capital and therefore increase the number of people working or increase their wages which will improve the tax take over time.

Taxes on savings

You want to increase savings which in the long term will improve peoples lives. Also this money that people are saving has been taxed once at the point it was earned. You should not tax savings if you want people to save, you are sending the wrong message. We are not stupid and know that there is not much point in saving as the government is just taxing this investment again and again.

Environmental taxes

There is absolutely no gain in sending money abroad to cut CO2 emissions. Firstly any money should be reinvested to cut down on or reuse waste in New Zealand. All you are doing is adding another tax burden on

people which you do not need, specially as you seem to have no interest in changing your wasteful habits whilst forcing us to change ours or pay.

Behavioural taxes

Add an extra tax to smokers to pay for medical costs. Or cut this completely.

We all have our habits. change the systems so that if you have a particular habit you will have life long consequences. Take a leaf from the french governement, make it so our little excessess dont cost more than we can actually afford. Prohibition never worked and we fight it. Taxing this excessively just hurts the poor more, specially the children. They are the ones who dont get fed to feed their parents habits.

Alcohol excise should be simplified, but the Working Group should not treat simplification as an opportunity to increase alcohol excise across the board. While the Working Group suggests excise is progressive, excise is actually higher as a proportion of low-price alcohol, making alcohol excise regressive.

Sugar taxes should be avoided. Just another tax. Taxes on sugar hurt low-income households the most and the evidence shows they are not effective in reducing consumption or combatting obesity.

Beyond the points made above, I endorse the [broader submission](#) made by the New Zealand Taxpayers' Union in reply to the Working Group's Interim Report.

Yours sincerely,