

Tax Working Group Public Submissions Information Release

Release Document

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From: Perry Spiller <action@campaignnow.co>
Sent: Wednesday, 31 October 2018 4:53 PM
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 my submission on the TWG's musings.

Indexation of income tax brackets

Some government benefits and entitlements are indexed to inflation. Income tax thresholds should be no different.

Inflation - mostly government driven - pushes taxpayers into higher tax brackets every year, meaning a higher income tax burden resulting in extra wages/salary being confiscated by the government, nullifying the income increase benefit to the taxpayer.

The Working Group says that inflation is best handled by “periodic reviews of the thresholds.” That's a mix of obfuscation and hot-potato-passing. When was that last done? Does the TWG even know the answer?

The TWG should, nay, must, recommend that income tax thresholds be indexed to - at a minimum - real inflation. "Real" as in not the fantasy that is the 'official' CPI.

Capital Gains Tax

The TWG should recommend against implementing any capital gains tax, as such a tax would encourage the government to foster inflation as a means of increasing tax revenue. To explain . . . In most cases, what is referred to and described as a capital gain is an illusion. A Mirage. It is nothing more than a change in dollar numbers, an erosion of purchasing power, driven by inflation.

Behavioural taxes

If such things are to be implemented, then the government and its members' behaviour should not be exempt. "Tax is a blunt instrument," according to the TWG Chair. An example might be: smokers are excluded from free health care / free hospital services / ACC compensation (where appropriate). That way, user pays is implemented and the good people are left unpunished.

MPs' spouses subsidised air travel and ex-PM benefits should be subject to FBT. Sauce the goose and the gandar!