

## **Tax Working Group Public Submissions Information Release**

### **Release Document**

**February 2019**

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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.

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**From:** Siva Rajadurai <action@campaignnow.co>  
**Sent:** Thursday, 1 November 2018 4:33 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 a submission in reply to the proposals and questions set out in the Working Group's [Interim Report](#).

### **Indexation of income tax brackets**

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

Inflation pushes taxpayers into higher tax brackets every year, meaning a higher tax burden despite not being financially better off. The tax brackets should be reviewed in tandem with inflation. The tax rates should take into account that those who are under lower and lower middle income brackets ("the lower income") have no means to manipulate their tax obligations via accountants who assist in devising investment portfolios through secret and overseas trusts and other overseas investments such as shares, bonds etc. Hence, it is only fair that the government reduces the tax rates for the lower income group and increase the tax rates for the rest. I think it is fair to impose a 40% tax rate for the upper high income group- starting from \$350,000.00. These people will always find ways to manipulate the system. I think people earning below \$20,000.00 should not be taxed.

### **Corporate Tax**

The corporate tax should be reduced to encourage start-up companies. There should be more tax incentives for companies to invest in NZ. Perhaps there should be different levels of taxation by industries.

I think we should find ways to protect NZ companies from being bought over by overseas companies. There should be legislation to prohibit certain companies from being bought over by overseas companies or overseas companies purchasing shares in local companies to avoid overseas influence in local grown companies such as Fonterra.

The government should also assist local startups by reducing tax rates for startups.

The government should endeavour to turn NZ into a silicon hub- encourage companies like Google and Apple to invest in NZ by providing tax incentives in exchange to educate and train locals.

Yours sincerely,