



Tax Working Group
Te Awheawhe Tāke

Tax Working Group Information Release

Release Document

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This paper contains advice that has been prepared by the Tax Working Group Secretariat for consideration by the Tax Working Group.

The advice represents the preliminary views of the Secretariat and does not necessarily represent the views of the Group or the Government.



Tax Working Group

Minutes

Meeting Date: Friday, 9 February 2018

Attendees: Sir Michael Cullen (Chair), Bill Rosenberg, Geoff Nightingale, Hinerangi Raumati, Kirk Hope, Marjan van den Belt, Michelle Redington, Nick Malarao, Robin Oliver, Andrea Black (Independent Advisor)

Mark Vink, Paul Kilford, Shane Domican (Secretariat)

Apologies: Joanne Hodge, Craig Elliffe

1. Administration

The group discussed issues per the agenda.

Decided	<ul style="list-style-type: none">• Submissions to the TWG will be released following the closing date for submissions• Submitters should be notified as part of the consultation document of the Group's intention to release submissions and ask submitters to note if they are providing information which they believe there are grounds to withhold• That members can forward on any correspondence received to the Secretariat to hold centrally for OIA purposes• Minutes of the previous meeting to be sent at the following meeting for the Group to approve.
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2. Forward Agenda

The proposed forward agenda was discussed.

Noted	<ul style="list-style-type: none">• There may need to be fewer meetings in late July in order to provide time for the Independent Advisor and Officials to draft the interim report.
Decided	<ul style="list-style-type: none">• The Group should work towards an interim report ready for the Minister of Finance in early September• To recommend that the MoF release the report as soon as possible after receipt• Following receipt of the draft interim report from the Secretariat and the Independent Advisor there will be two sessions dedicated to discussing it• The following should be considered as part of future meetings:<ul style="list-style-type: none">○ Meeting 3: Marjan van den Belt on sustainable development goals (early in meeting 3 10 – 15 mins)○ Meetings 4 or 5: discuss issue of tax paid by firms such as Google

	<ul style="list-style-type: none"> and Facebook and the digital economy; ○ Meeting 5: discussion on how some person or industries are potentially under-taxed ○ A session to consider taxes on banks and the financial services sector ○ Meeting on company taxes should include discussion of the distributive impact of company tax structures, the impact of imputation, and international comparative information should be provided.
Actions for the Secretariat	<ul style="list-style-type: none"> ● Prepare high-level project plan with firm dates and subjects for forward agenda until September. Include information about delivery dates for interim report.
Actions for the Group	<ul style="list-style-type: none"> ● Nil

3. Engagement strategy (including Youth Engagement)

The Group agreed with the strategy, subject to come changes below:

Noted	<ul style="list-style-type: none"> ● Group members will individually contact stakeholders regarding additional youth groups to involve (youth engagement)
Decided	<ul style="list-style-type: none"> ● The proposed public communications to go through Chair for approval and members will have some opportunity to comment (although not every item) ● Govt. Departments should be able to make submissions giving free and frank advice ● The “key audiences” for the engagement strategy should include NGO’s such as Oxfam ● The interim report and accompanying material needs to explain reasons for decisions in an informative and innovative way ● The interim report will invite feedback but the Group will not make a dedicated effort to seek submissions, or to consider and respond to all feedback received ● For the strategy (slide 9), agreed to the proposed actions that inform public, but not to actions that solely create discussion ● The Group agreed to the proposed approach to youth engagement including: <ul style="list-style-type: none"> ○ Writing to various youth groups seeking submissions ○ Engaging secondary schools, universities, polytechnics, Kura Kaupapa Māori as part of Treasury’s outreach programme ○ Inviting Talia Smart and Matt Wooley to present on their proposals to the Robin Oliver Tax Policy Scholarship.
Actions for the Secretariat	<ul style="list-style-type: none"> ● Consider the feasibility of an app to assist with youth engagement ● Provide an update on the schools and university challenge at next meeting.
Actions for the Group	<ul style="list-style-type: none"> ● Sir Michael Cullen to write to MoF outlining the engagement plan ● Send suggestions regarding youth involvement to Rose Jago.

4. Submissions feedback paper

Noted	<ul style="list-style-type: none"> ● The Group provided feedback on the draft ● The Group will need to finalise the document next week in order to meet the proposed 14th March release date.
Actions for the Secretariat	<ul style="list-style-type: none"> ● Update the document incorporating the Group’s feedback.

5. Frameworks for evaluation

Noted	<ul style="list-style-type: none">• The Group considers the usefulness of the Living Standards Framework is the ability to look at the wider tax system and context within wider Government. The Group considers that the standard tax policy principles are useful in assessing individual tax proposals.
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6. Fairness

Noted	<ul style="list-style-type: none">• The papers prepared by the Independent Advisor and the Secretariat were not considered in detail, with discussion deferred to a future meeting.
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7. GST: low value imported goods

Decided	<ul style="list-style-type: none">• The Group agreed to recommend the following to the Government<ul style="list-style-type: none">○ The Government should implement an offshore supplier registration model to collect GST on imported goods from suppliers who exceed the GST registration threshold○ The <i>de minimis</i> for collection of GST by Customs should be changed to a \$400 threshold based on the good's value but should not be increased beyond that point○ The Government should consult on the proposed offshore supplier registration model to ensure it is effective○ Options for collecting GST between the point of sale and delivery and for payment of GST after delivery should continue to be reviewed to see if the practical issues with them can be overcome and become an effective means of collecting GST on low-value goods, in particular from unregistered suppliers.• The Group agreed to report back early to the Government on the issue through a letter from the Chair.
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