

Tax Working Group Public Submissions Information Release

Release Document

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
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10 July 2018

SUBMISSION TO THE TAX WORKING GROUP

I request the Working Group considers the following, which I have listed in order of my priority.

Reduce income tax rate for low level incomes (under say \$50,000).

One of the easiest ways to reduce poverty in low income households. We need to provide incentives for people to get off the welfare system, and start earning wages. A much lower rate of income tax on low incomes would achieve that objective, by significantly reducing the “working poor” category.

Reduce company tax for small enterprises.

Small companies are the backbone of our waged economy. A reduction in tax rate for those companies would greatly assist in enabling them to survive and prosper, and employ more low-income staff.

Increase top rate of personal tax.

The rate of tax on incomes above say \$200,000 should be increased significantly.

Eliminate tax on overseas pensions – these have already been taxed at source.

A significant number of our residents receive pensions from overseas. Those pensions have usually been derived from taxed earnings, so it is not fair to tax that income again.

Introduce capital gains tax on investment properties.

Our family has lived in several countries, and have paid capital gains tax there. A fair system should be introduced, excluding the principal residence.

Introduce tourist tax, with the income going to Local Authorities, to subsidize upgrading or provision of infrastructure.

Living in Central Otago, I realise that a major challenge exists in providing sufficient infrastructure to support our tourism industry. Local Authorities do need assistance in meeting this additional cost, and a good way to do this is by imposing a tourist tax on accommodation providers, to be passed straight through to the visitor.

Eliminate tax on Kiwisaver and bank deposits

Savings have already been taxed, so why tax the interest again? We need to increase the savings rate in NZ. We also need to reduce the reliance of financial institutions on offshore borrowings, and increase their reliance on local deposits.

Increase rate of GST.

This is a very efficient way to collect tax, and includes visitors and non-residents in the

net also. Do not have differential rates of GST for different products. Keep the regime simple.

Increase gambling taxes.

I view gambling as a socially undesirable activity that eventually should be eliminated. I am most concerned that the current distribution of pokies is in low-income neighbourhoods, and those regions should operate a sinking-lid policy. An increased gambling tax on casinos would provide additional income to support the eventual elimination of pokies and other sources of gambling which are targeted to low-income households. This would also assist in weaning sporting clubs off dependence on gambling revenue.

Regards,

Bonnie Miller Perry.