

Q. Does the tax system strike the right balance between supporting the productive economy and the speculative economy? If it does not, what would need to change to achieve a better balance?

A I believe the current taxation favours the speculative economy over the productive economy. This is not only unfair, I believe it has contributed to the distortion in the value of property as an investment class. I therefore favour a capital gains tax on all residential property other than the "family home". Taxation should be applied at the time of realisation of profit/sale.

Q. Should there be a greater role in the tax system for taxes that intentionally modify behaviour? If so, which behaviours and/or what type of taxes?

A Yes there should be a far greater role for taxing negative externalities to do with the environment for example carbon tax, congestion tax landfill tax plastic tax fuel tax etc any of which could be used to vital achieve environmental outcomes.

Q. New Zealand's 'broad-based, low-rate' system, with few exemptions for GST and income tax, has been in place for over thirty years. Looking to the future, is it still the best approach for New Zealand? If not, what approach should replace it?

A It is largely still a good approach for New Zealand. However I would support a higher marginal tax rate for the highest income earners because of the growing income and expenditure gaps illustrated in the background document. I am not exactly sure of the level but it seems unfair that a person earning \$70k and someone earning \$200k are on the same marginal tax rate especially when you note the size of the intervals at which rates change below \$70k. Incidentally I earn much closer to \$200k myself than 70k. I was surprised to learn that the cost of revenue collection was relatively low. I think that probably gives room to strengthen the audit function of IRD which to me appears to have diminished in the 35 or so years I have been working in business. Digital technology gives new opportunities to check compliance more cheaply and efficiently without so much disruption and compliance cost to business as previous audit methods.

Q. How should the tax system change in response to the risks, challenges, and opportunities you have identified?

A It is too hard to say how it should change because the impact and scale of the risks challenges and opportunities haven't been fully determined. Once risks

Q How could tikanga Māori (in particular manaakitanga, whanaungatanga, and kaitiakitanga) help create a more future-focussed tax system?

A As guiding principles because I would like to think they reflect enduring NZ values

Should the tax system do more to support small businesses? In particular, is there a case for a progressive company tax?

A I have never considered this before but if there is progressive income tax it seems fair that there should be progressive company tax.

Sharon Brinsdon