

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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29 April 2018

Submission to the Tax Working Group

Kia ora

The increasing inequality in Aotearoa is of real concern to me and others. In 1990 half of all dairy farmers paid an average of \$1500 in tax and yet we know that none of them starved that year. The write off of numerous 'business' items for any business, farming or otherwise, is a serious anomaly, wage and salary earners pay tax on every dollar they earn.

There are numerous changes that need to be made:

- Currently the amount of money used to find fraud carried out by beneficiaries and tax fraud is pretty much the same. Tax fraud is worth \$3.3 billion a year and beneficiary fraud is worth just \$30 million. More money needs to be spent and a concerted effort made to find and prosecute those defrauding the country of \$3.3 billion.
- Tax Avoidance - the loopholes in the tax laws need to be closed. No doubt the 'tax experts' working for the big corporates such as KPMG, Ernst & Young, Deloitte & Touche, and PricewaterhouseCoopers will find new loopholes but as they do the government must act with urgency to close these loopholes. A constant monitor should be maintained in these areas.
- Trusts need to be have a proper overview. Many trusts are set up purely to keep people from paying tax. Before you get to the taxes they can write all sort of things off as expenses.
- A Financial Transactions Tax needs to be implemented on all financial transactions including buying and selling of shares and cryptocurrencies. This would raise a large amount of money and discourage the sort of speculation that was part of the 'global economic crisis' in 2008. A rate of .05% should cover all of these transactions and lower the speculation on the NZ dollar – currently the 10th most traded currency in the world.
- A comprehensive Capital Gains Tax must be introduced. People owning houses and keeping them empty in order to wait for the capital value to grow are keeping others out of housing which is a nationwide problem in the big cities. All sources of income including housing, shares and dividends must be included in a CGT.
- The 'bands' of income tax need to be much more progressive, the Western countries we often compare ourselves with pay much higher rates: Britain, USA, Australia. It is unacceptable that half of the wealthiest people in NZ pay tax on less than \$75,000. Whilst the poorest are taxed on every dollar they earn.
- The multi-national firms operating in NZ such as Facebook, Google, Uber, Airbnb, Amazon etc should be paying tax relevant to the revenue they actually earnt in NZ.
- Death duties should be re-introduced. A progressive tax rate for any estate over \$1m should be paid. This must include 'gift duties' so that these taxes cannot be avoided.
- Just as tobacco is taxed, sugar, alcohol and products containing aspartame and other dangerous 'fake' sweeteners need to be taxed.

I would like to appear before the Tax Working Group.

Nga mihi

Bronwen Summers