

Tax Working Group Public Submissions Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: CHRISTOPHER DAVID SHEPPARD [1]
Sent: Thursday, 29 March 2018 12:26 PM
To: TWG Submissions
Subject: Future Of Tax
Attachments: Tax Working Group.docx

Importance: High

Hello,
Please see my comments:

1. **Inheritance Tax** - if this is introduced whilst it may seem good to those currently not caught in that area, to ensure the current lower and middle income house owners don't end up being landed with huge bills, the Exemption Level needs to be increased either annually or on a biennial basis.
2. **Kiwisaver** - all western economies are struggling to meet the needs of their aging populations and Kiwisaver is one way that some of the potential future problems of insufficient cash can be alleviated. However to do this, Kiwisaver needs to be made **COMPULSORY** with a minimum individual employee contribution of 10% of wage/salary/remuneration and also an employer contribution of at least a minimum 5% but preferably 10%. Employers should not be able to say to employees that their remuneration package includes x% for Kiwisaver and if they opt out then they get the extra in their pay packet. To encourage employees to save in Kiwisaver their contribution should be **TAX DEDUCTIBLE** and the current Government contribution should be scrapped for all employees. However to encourage others (ie the Unemployed, Stay at Home Parents, Children to save, etc) then the original government figure of \$20 per week matching should be re-introduced.
3. **Healthcare** - every NZ person should be made to take out health insurance as there is increasing demand and cost as our population ages and new treatments are found for many ailments. To encourage everyone to take out insurance the premium should be tax deductible which would reduce the burden to each person. Also a good system to look at rather than the bankrupt UK NHS is the French model.
4. **Capital Gains Tax** - if this is introduced then it needs to be on everything such as shares, investment property, etc. **BUT** the government also needs to be aware of the "Bed and Breakfast" practice that used to occur in the UK, where investors sold shares on the last day of March and then bought them back on the first of April each year. This resulted in a new share price that either gave a gain or a loss. HMRC enacted legislation that stopped this practice a few years ago.

Please refer to the attached word document where I have worked an example of someone earning \$48,000.

Regards
Chris Sheppard