

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.

[1]

From: Mulinder [1]
Sent: Friday, 23 March 2018 1:58 PM
To: TWG Submissions
Cc: [1]
Subject: Presentation to change the law in regard to NZ Dividend Imputation Credits to make the law fair for ALL New Zealand Shareholders.
Attachments: LPM.pdf

To The Honourable Sir Michael Cullen.
Chairman and Members of the NZ Tax Working Group, Members of Parliament for Finance and Revenue.

To Sir Michael, Ladies and Gentlemen.

1. My name is Leonard Peter Mulinder ["Peter"]. I attach my C.V. by way of introduction.
2. I write to you on behalf of and at the request of my wife Mrs Jane Harriet Mulinder [Jane] IRD No. [1].
3. Both Jane and I receive superannuation. I have no other income.
4. In addition to her superannuation Jane has a diversified portfolio of shares listed on the NZX valued at approximately \$620,000-00 [financed as to approximately 55% by way of her life savings and 45% by way of an ANZ bank loan facility [guaranteed by me].
5. Jane's gross income of \$42,945.54 is derived in the main from dividends [\$25,452.54] plus [interest and superannuation \$17,493.00] and reduced by deductible bank interest paid on the loan to buy shares [\$18,710.69] giving her net taxable income of \$24,234.85.
6. Resident withholding tax [RWT] of \$1,674.38 which had been deducted from dividends during the year was not needed by the IRD to settle Jane's tax liabilities [see below] and was refunded to Jane by the IRD [although it took till September 2017 -- 6 months after the end of the tax year-- to get the refund!] That delay is a "side-issue" in this presentation but is perhaps something for the Tax Working Group to consider -- namely IRD having to at least pay a "use of money" rate of interest if they fail to pay out RWT refunds, or any other refunds promptly.
7. On her share portfolio Jane received Imputation Credits of \$6,948.02.
8. Her income of [rounding up] \$24,235 was taxed at:
a) \$14,000.00 at 10.5% = \$1,470.00, plus b) \$10,235.00 at 17.5% = \$1787.45, c) Giving total tax of \$3,257.45 on income of \$24,234.85.
9. Jane's tax liability of \$3,257.45 was settled by the IRD deducting that amount from her Imputation Credits of \$6,948.02 and carrying forward excess Imputation Credits of \$3,690.57 to 31/3/18.
10. The IRD "solution" in 9 above is no solution! It is a blatantly unfair tax grab imposed by the previous government to make their books look better.
11. The solution is simple and fair -- excess Imputation Credits must be refunded to taxpayers in the same way as RWT and should also be subject to "use of money" interest in the same way as suggested in paragraph 6 above, if repayment is unduly delayed.

In conclusion we thank the Commission and Ministers for considering our representations.

L P Mulinder and Mrs J H Mulinder