

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;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

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

Tax Working Group Submission

I would like to share with you my ideas of what I see as an equitable and fair tax system. Of course I do not have the resources to cost out my ideas so do not know how they would work in practice with regard to balancing the total taxation revenue.

For:

Sugar Tax – sugar is a huge contributor to obesity and diabetes in our society. This is a cost to our health system that is taking our resources away from other essential services. The money raised from the sugar tax should be used to subsidise milk to improve children’s oral and general health.

Incentivise behaviour – remove GST from fruit and vegetables. These are often too expensive for the poorest people in our society. Introduce a tax on alcohol as this is just as damaging to our societies health as smoking. Alcohol is too cheap and freely available in NZ.

Tighten Family Trust laws – People should not be able to put their assets into a family trust in order to avoid the cost of their own care in old age. This is a loop-hole that too many wealthy New Zealander’s are taking in order to avoid paying their share.

Adjust Tax Rates - The first \$15,000 earned should be tax free. Tax Thresholds should be adjusted to help the lower paid. Increase the rate for those earning over \$150,000. New rates could be as follows:

Up to 15,000	0%
15 – 25,000	15%
25 – 50,000	20%
50 – 75,000	25%
75 – 150,000	30%
Over 150,000	35%

Adopt a Capital Gains Tax – I have had a good look at the Australian Capital Gains Tax and I think it is a very fair and acceptable system. I imagine it would be quite difficult to introduce and manage but I think it is necessary to cool the housing market and make things more equitable. It’s important to me that my children also get an opportunity to own their own home. I think the fear around a CGT is due to the fact that people do not understand it. In order for a CGT to get accepted by the public they need to be educated as to how it will work. If they believe it will apply to all the assets they currently own they will not want it but if they realise it only affects future purchases of assets I believe they won’t be so afraid of it.

Superannuation – I think that Kiwi saver needs to be made Compulsory. If the tax rates were adjusted to make the lower paid better off at the same time, this would be a good time to introduce compulsory Kiwi saver. That way the lower paid would not be any worse off. At the moment, many of the lower paid workers cannot afford to contribute to Kiwi saver.

Private Health Insurance – Our hospital system is very overloaded and as the population ages it’s only going to get worse. If people were offered a 10% rebate on their Health Insurance premiums more people may choose the private sector relieving the pressure on the public system.

Company Tax – We could introduce a tiered rate for Company Tax. Small companies could pay tax at a lower rate while larger companies would pay more. E.g. 25% for small companies & 30% for large companies. This would help smaller companies get established.

Regards, Janine Gray [1] 1]

