

Tax Working Group Public Submissions Information Release

Release Document

September 2018

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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.

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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.

10 November 2017

Rt Hon Jacinda Ardern
Prime Minister
Freepost Parliament
Private Bag 18 888
Parliament Buildings
Wellington 6160

Dear Prime Minister,

Congratulations on your new appointment as Prime Minister of New Zealand; I hope that you have a successful term in office.

I understand it is your government's intention to review personal and general taxation in New Zealand. I have a couple of suggestions for consideration by the Review:

1. **GST:** the threshold for small businesses to pay GST should be raised, and the cost of this should be balanced by increasing the GST rate. Having been a contractor as a one-man band and earning just enough to get over the threshold of \$64,000 I have had to register, collect and pay in GST to the Government. It is a big burden on the many small businesses in the country and a big disincentive to working as a contractor.
2. **Personal tax rates:** the top rate of personal income tax is relatively low in New Zealand at present. It would be a good idea to maintain this to provide an incentive for top-earning and skilled employees to stay in the country. I realise that a Labour-led government may be tempted to "soak the rich" by raising top rates of income tax but the overall effect on the economy needs to be borne in mind. For example, medical professionals can fairly readily go overseas if they are taxed too heavily here, and the health sector is already badly understaffed.

Many thanks and best wishes,

Yours sincerely,

Duncan Innes