

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.

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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.

From: Neil Harrap <action@campaignnow.co>
Sent: Tuesday, 30 October 2018 6:39 PM
To: TWG Submissions
Subject: Reply submission to Tax Working Group's interim report and proposals

Dear Sir Michael and members of the Tax Working Group,

(From the DomPost story)

'QuickTax' will reduce compliance costs for business.

Small businesses wrestling with onerous compliance costs could be spared the burden of deducting PAYE tax under a "QuickTax" system proposed by Wellington property investor and inventor Neil Harrap. "It's so easy to achieve with today's technology that it's surprising it hasn't been considered before now," the Fly-by-Wire inventor said.

Under his plan the employee's bank would create a "QuickTax Account" attached to the employee's current account. The employer would pay the employee's wages or salary directly into the new account. The bank's computer, having been advised of the tax bracket by the employee (or the IRD), would deduct the PAYE tax and remit the balance to the employee's cheque account.

The employee could not access the QuickTax account but with the transaction in real time the employee could immediately access the tax-paid funds," Mr Harrap said.

"There are obvious advantages. The taxes would be remitted to the IRD on a daily basis, compounding to millions of extra tax dollars a year. "No more PAYE taxes would be lost due to business bankruptcy or employer fraud. There's even a buck in it for the bank - they can make a small charge on each and every transaction."

However, the employer would reap the greatest benefit – "one single payment, no time wasted attending to another individual's tax responsibility, and no IRD paperwork."

The system would be simple to design and employers could have the choice of joining up or persisting with the present cumbersome and costly paper system.

"A simple idea like this should come from government or the IRD," he said. "Rattling on to the media about reducing compliance costs isn't the same as actually doing something about it."

Neil Harrap

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Neil Harrap

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