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AFTS Secretariat
The Treasury
Parkes ACT 2600

SUBMISSION TO TAX REVIEW

My proposals are:

1. Instead of making Retirement Income Streams from a taxed source non-taxable, give them a 25% tax rebate.

The current non-taxable arrangement gives enormous benefit to those wealthy enough to have already made large tax savings from large super contributions and reduces the government's ability to support disadvantaged people in real need.

2. Impose a phased-in indexed Capital Gains Tax on sales of a principal residence for more than say fifteen times the nation's average income.

The current CGT exemption encourages 'investment' in unproductive private assets such as excessively large homes, leads to increases in land prices, wastes limited resources, unnecessarily increases greenhouse gas emissions and reduces the effective tax rates on the earnings of our wealthiest citizens.

3. Index interest 'earnings' by the CPI before imposing income tax on them.

Where inflation exists, the current system can impose an effective tax rate of more than 100% on 'real' interest income, and in times of moderate inflation and low interest rates can actually impose tax on a loss of real income. This must reduce the availability of funds for productive lending, as well as encouraging retirees to spend their savings so as to draw a taxpayer-funded pension.

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