

1. Simplification & Efficiency

-The tax act is way too complicated. More relatively recent legislation seems to get even more complicated e.g. FBT.

-We need an overall model/framework which should be used as a over-arching guide in formulating new legislation e.g. the accounting matching principle is a good example of one element that could be used for this guide

-There should be an overall cap on the total "tax" that can be imposed on any item. You would think 20% would be reasonable. This should apply to all items including fuel - so you have to consider the GST, excise, state tax's.

-There are far too many tax's with each state gouging whatever they can. Some taxes should have the transparency to be seen for what they really are, a revenue grab. These state tax's would most likely fail any over-arching guide for any tax.

-Maybe if a tax principle cannot be drafted in say 500 words, then its too complicated. How can we let the ridiculous situation of entertainment rules get to where they are today.

-Certainly in favour of increasing GST to eliminate stamp duty, payroll tax etc.

- most individuals should not have to complete a tax return at all. Maybe introduce a modest withholding tax for interest, say 10% similar to non-residents (thinking of bias - why do non-residents pay less tax on interest than most residents, how bizarre).

-Companies should not have to prepare two sets of books, how inefficient! Let's base the corporate tax rate on accounting profit. All companies that don't require an audit must have accounts prepared or reviewed (NB not audited) by CA or CPA etc.

-Partnership/Trusts - way too complicated. But maybe treat & tax them as per the status of the immediate partner/beneficiaries, let imputation credits flow thru after that.

2. Eliminate bias of different legal entities

Why should there be different tax consequences depending on the entity you choose. I have never understood how this arbitrage has developed.

3. Imputation

Many individuals have arranged their affairs according to the current imputation system. I believe it would be a grave mistake to fiddle with this. And you have to ask why fiddle with this area when there are so many other areas which need more urgent attention and focus e.g. simplification.

4. Lets not make this an academic exercise. Lets get real change in the way the tax act works. Focus on the big issues not how much of a meal is deductible or subject to FBT. We have to move away from this detail which has the consequence of costing more in administration that what is being collected.

5. Airline travel

The tax's on airline travel seem to have gotten out of hand. Tax upon tax upon tax has been levied on airline travel where we now have the redicilious situation where tax's can be more than the fare. Why has this industry been treated in such a shabby way? We don't pay tax's for railway stations or bus stops (there are lots of these so the infrastructure is not insignificant when added together). Why have airports been singled out for "special" treatment. Surely its time to turn these tax's on their head and say no more!

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