

## TAX WHITE PAPER ON SINGLE INCOME FAMILIES

### **1. Introduction**

The family is the basic unit of the community and the nation. Government policy should be directed towards ensuring that the family is supported; especially in relation to tax payments. However, the exact opposite is occurring in relation to single income families. This requires adjustment forthwith.

### **2. Current Position**

A single income family on \$80,000 currently pays about \$ 6000 more net tax than a double income family earning the same amount in a year. Assuming expenditure by both families is similar this is grossly unfair to the single income family. In fact a double income family earning \$172,000 pays about the same tax as a single income family on \$86,000 per year.

In addition, the double income family is heavily subsidised by the tax payer through childcare provisions which are denied the single income family.

### **3. Suggested solution**

All families with children should receive two tax free thresholds so that they do not have to pay tax until their total income rises above \$36,400 per annum.

Assistance should also be considered in payments to single income families to compensate them in lieu of the taxpayer contribution to child care.