

AUSTRALIAN TAX reform submission 13/06/2015 from Peter Newey

As my background is technology and I understand the capability of the Internet and computer systems I believe this resource is highly underutilised and provision for tax reform, in fact tax, purchasing and investment reform is at our fingertips.

If you adopt the principle that technology can be easily adapted then the following is possible

- Tax should be collected at point of sale or point of deduction using any card system available through banks and banks then automatically transfer these funds directly to the Tax Department no exceptions. If you do not have a card then you can't purchase anything.
- Tax should be collected the same way for any purchase in Australia whether the purchase be in Australia or overseas. If the Money is deducted from a Australia Bank account or by any resident of Australia from International accounts the tax will also be deducted and deposited with the Tax department .With any card it can be tracked and tax applied.
- Flat tax on all goods and services of 10% no exceptions or total budget/ number of tax payers on the books.
- No income Tax returns required as all tax payable in real time
- Business have no further need to collect and pay GST and this will relieve small business of a burden that is not related to their business operation. This action alone cost us thousands of dollars per year and it is never reimbursed
- Banks, because of the internet and available technology have no further need to have checking accounts and no International or Australian money transfer delays of days while money is locked in the international money market collecting interest for banks. The money belongs to the persons initiating the transfer and then the receiver of the transfer so why is it being delayed when the processors adopted are from an old world system which is no longer relative.
- The tax department will need to supervise and check the operation of the tax collection and that it is up to scrutiny. This would include the systems involved but it would be relatively easy to see tax collected and monies paid. In deed some states in the USA are already using this type of system for interstate or international transactions initiated over the internet as long as the transaction is initiated in their State then it is deducted in their State intuitions and paid to the state Government accordingly.
- The simplicity and flexibility of this system can be demonstrated where you have organizations that are Tax free like "Religious Organizations", their card can be tagged tax free but their expenditure and income performance can be also monitored. Organizations claiming a Tax concessions, for say design, and start up, drought and disaster relief tax concessions can be applied.
- Cash economy would be stopped in it tracks as you can only use a card to collect or spend Money. This would also effect the cash income that welfare precipitants are generating and not declairing.

Although there maybe be some difficulty in understand the wide reaching changing necessary and the technology needed the technology is available as there are systems in play that are very capable of undertaking the above.

The Prime benefit of this concept is that the Australian Government receives real time tax payments and is therefore not estimating nor guessing what forward estimates will be and receipts are virtually real time. Tax payers also share the same financial situation and are also working in real time financially.

Regards

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