



Australian Tax Submission, 2015

By

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PURPOSE

Australia has a tax system that uses 150 forms of tax with 10 of them making up 90% of tax receipts.

The biggest collection comes from Income Tax with Company Tax & GST following as the next largest amount of receipts collect.

Many taxes are difficult to enforce and require large resources with poor outcomes, therefore a complete structural change is required.

NEW TAX INITIATIVES

- A Debit or Transactional tax can be installed and become the broad base tax measure to control inflation caused by funds appropriated by Governments of Federal State levels.
- A Land Value Capture Tax will be implemented with a Federal Government employing local councils to collect receipts. The amount must be considered against the needs and requirements of local councils for maintenance of local infrastructure.
- A Business Tax will allow for budget measures towards new infrastructure, new business grants, innovation grants and invention and concepts grants, plus low interest lows for commercialization of new start-ups.
- An Unearned, Passive & Capital Gains Tax will capture receipts that can have a two-fold purpose. It can allow governments scope for research grants and non-essential funding for social projects or be used to pay down debts or stimulated the economy during times of economic down turns.

BENEFITS

1. The Debit tax allows for Government Agencies to concentrate on financial institutions. This means they can collect data on transaction to identify any form of tax fraud by transferring funds off-shore. There is always a transaction history!
2. The Land Value Capture tax can be carried out by councils on behalf of Government. Councils are best situated due to the close locality of this entity.
3. A Business Tax aims towards parts of the economy where productivity generates wealth, which is less burdening then payroll and income taxes.
4. An Unearned, Passive & Capital Gains tax targets income made outside of direct productive means.
5. Since the ATO no longer needs to deal with millions of employee's to collect tax receipts from, the resources can be specialized, concentrated and with financial institutions imbedded in these entities to ensure compliance.

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1. DEBIT TAX INITIATIVE

a. A Debit Tax at 1%

According to a study conducted in 2009, at a rate of only 1%, the Debit Tax will generate a budget surplus of **\$240 billion** on government expenditure. Current revenue is close to \$400 billion.

A Debit Tax at 1% tax is applied on all Debit Transactions:-

- ATM and Over-The-Counter Withdrawals
- Cheques
- Eftpos Payments
- Bank transfers, Direct Debts and BPay
- Withdrawals and Annuity Payments from investments and Super Funds

The rule that is applied when calculating the Debit Tax is incredibly simple. It is as follows:

- If your bank account is credited (i.e. a payment is received) - no tax is calculated.
- If your bank account is debited (i.e. a payment is made) - a tax of 1% is calculated.

Date	Transaction	Debit	Credit	Balance	
01-Jan-12	Balance			CR	\$2,500
05-Jan-12	ATM Withdrawal	\$200		CR	\$2,300
14-Jan-12	Deposit - Wages		\$1,500	CR	\$3,800
15-Jan-12	Payment - JB HiFi	\$300		CR	\$3,500
24-Jan-12	Payment - Rent	\$1,200		CR	\$2,300
30-Jan-12	Balance			CR	\$2,300
		\$1,700	\$1,500		



The Debit Tax is calculated as 1% of the total debits.
In this case it is \$17.00 (i.e. \$1,700 x 1%)

Payment mechanism

The way that the Debit Tax is paid to the ATO - is very similar to the way that GST payments are made to the ATO. The only difference is that with the Debit Tax, **your bank** (instead of the merchant that sold you the goods) will make the payment to the ATO.

Below is an example that should clarify the situation:



2. LAND VALUE CAPTURE TAX INITIATIVE

- Land Value Capture Tax: At 1% of total value of land

3. BUSINESS TAX INITIATIVE

- a. Business Tax: Starting at \$1 million with a 20% (Multi-Nationals are penalized an extra 5% making their rate 25%)
- b. Corporation will be required to apply for an annual Corporate Charter with a 1% of gross profits application fee

4. UNEARNED, PASSIVE AND CAPITAL GAINS TAX INITIATIVE

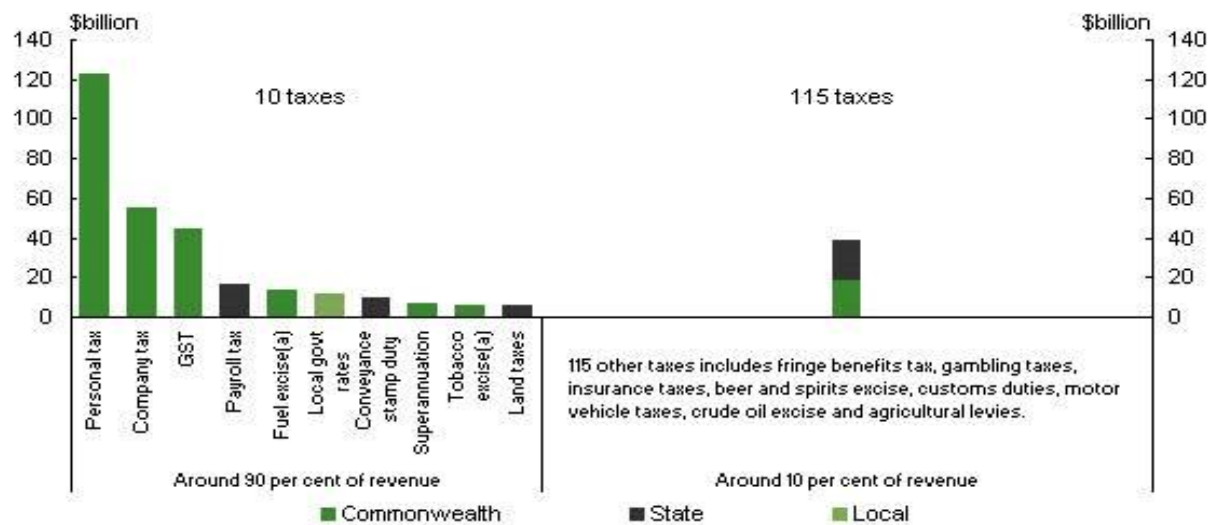
- a. Unearned, Passive and Capital Gains Tax: Starting at \$1million with a 20% tax

5. RESOURCES RENT TAX

- a. The Resources Rent Tax will be set as a percentage of 20% of the average annual market price for a particular resource

All other taxes are remove, however Customs and Excises will remain.

Chart from the Henry Tax review, 2010



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