A fairer and better tax system for Australia Version 2

1. personal tax

1. tax free threshold approx $30,000pa

2. flat tax rate 10% on income including all capital gains including principal place of residence

3. no deductions for “income related expenses” for employees including executives except special allowances like tool & travel allowances defined EBAs would be tax free.

4. Inheritance tax of 10%, payable via government loan similar to repayment scheme

5. capital gains tax since purchase or start of tax to be paid on inherited goods and property

6. all discretionary trusts abolished

7. no negative gearing, no dividend imputation. (franking)

8. fringe benefits taxed as income except for employees of non taxable NFP charitable organisations and NGOs.

9. donations to NFP charitable bodies tax deductible not including churches

10' capital gains tax should apply proportionally to principal place of residence on values above $1.5 m

2, Superannuation

1. tax 10% on payments from superannuation

2, no tax on superannuation contributions to $4,000pa

3. once super funds exceed $2,000,000 no further contributions will be tax deductible

4. superannuation to be counted as part of assets test for aged pension.

5. cannot access superannuation until 65

3. Company income

1. executive termination benefits taxed at 20% (except performance bonuses)

2. company tax of 10%

3. mineral royalties 10% collected by commonwealth, (5% directed to state, other 5% distributed to states according to population

4. indirect taxes

1. 10% GST collected by commonwealth distributed to states according to population - no exemptions

outlays

1. medicare stay as is except set in place procedures to control over servicing, QA to ensure correct testing is carried out , QA to ensure xrays etc are giving value.

2. Social security minimum payment be $15000pa reducing $1 for $1 after $1000pa earned ,extra payments per dependant review payments to couples

3. disability payments extra

4. HECS to continue, hecs setup for trade training

5, Education funding as per Gonske.

6. infrastructure financed by special government bonds sold to/purchased by superannuation funds.

7. no compulsory retirement. but able to access aged pension from 70 and once drawing down of superannuation commences (from 55), no inputs can occur

8. universities be allowed to set own fees but a commission be setup to monitor outcomes = QA for outcomes including trade training.

Whilst this may appear too generous with insufficient revenue the additional revenue from the inheritance tax, the wider capital gains tax,the additional tax on superannuation, the extra income from tax on the discretionary trusts and the broadening of the GST should more than make the difference. In addition the tax savings made by profit shifting by global corporation should be insufficient to be attractive.