

The tax laws are currently "blind" to inflation.  
(See attachment.)

If we were only taxed on the capital gain AFTER inflation then:

1. Less tax revenue would be collected initially, but....
2. The world's capital would flood into Australia as the inflation deduction would be a very powerful drawcard. Overall the tax receipts would likely rise very considerably..

People would be paying tax on the real capital gain rather than the illusory capital gain generated by the inflationary depreciation of the currency's purchasing power.

Government and Central Bank would be powerfully incentivised to keep inflation low.  
Inflation is low for the foreseeable future but eventually this will be a huge issue.

Let's make Australia rich by becoming a magnet for the world's capital.

Sincerely,  
Dr Greg Solomons