

WHAT IS A DEBITS TAX?

Replacing Australia's taxation system by abolishing ALL forms of taxation such as the GST, Excise Tax, Personal Income Tax, Company Tax, Council Rates, Land Tax, Property Stamp Duty, Airport Departure Tax, Fringe Benefits Tax, Capital Gains Tax, Medicare Levy, Compulsory Superannuation, etc., and replacing these with a simple debit tax is something long overdue.

Every hour of the day money is withdrawn from savings accounts, cheque accounts, insurance companies, business and investment organisations, and financial institutions of all kinds. Indeed, ALL monetary transactions are withdrawn from some type of bank or financial institution that holds money in trust.

A Debit tax is an extremely straightforward system to understand. Under a Debit Taxation System every time that money is moved from an account (be that an account held in a bank, building society, credit union or other financial institution) a percentage is retained by the government as tax.

Research has shown that a 1% Debits Tax would bring in more revenue for the Government than what is presently being collected through the current complex present system. The reason is that ALL Multi National Corporations which currently are excluded from paying their fair share of tax, would now be required also to pay a 1% Debits Tax and when you consider the amount of banking transactions conducted by these Corporations every day, the tax collected would be substantial.

As an Employee or Small Business Owner ask yourself this question, "Would you prefer to pay the average rate of 30+% in taxes that you are now currently paying (without even taking into account the GST or any other tax), or a nominal 1% tax"?

This system has a number of major benefits:

- **First, a Debits tax is a fair tax** because it is a percentage based tax, so regardless of whether you earn \$10,000, \$100,000 or \$1 million per year, you still only pay your fair share. In addition an employee or a small business owner would be in a far more advantageous position, as the tax payable would be dramatically decreased to a minimal percentage. The Government would no longer need to be ruthlessly penalising these sectors, as the Corporations would now be forced to contribute their fair share of tax.
- **Second, it is simple** both to implement and to understand. It does away with the need for unproductive activities such as keeping and completing taxation records and/or engaging in tax schemes. It eliminates the need for Tax and BAS returns. Your bank statement would be the main paperwork needed to show your income when applying for a bank loan, etc.
- **Third, it is effective** because financial institutions are the point of collection and such institutions must be used – if only for ease - in the vast majority of financial transactions. They become the Tax Collector!
- **Fourth, tax avoidance is possible**, but would only become widely resorted to if the rate of debit tax was too high. Who would bother hiding their money, if there was a 1% tax rate? In effect, this provides one built in safety valve for dissatisfaction with the rate of taxation collected.
- **Fifth, the rate of taxation to be collected is low** because of the wide base from which such a tax would be drawn. Even those who have their money off-shore would have to contribute by way of a Debit tax or physically bring their money into Australia, thereby avoiding the convenience of transfer and withdrawal of their funds from Australian based financial institutions.
- **Sixth, Electronic Funds Transfer is highly efficient** as a tax gathering system, providing a constant flow of revenue to the government.
- **Seventh, a Debit tax means an instant increase in wages** with a decrease in the cost of goods and services.

Advantages of using The Debit Tax

These are just some of the advantages of using just one Debit Tax of only 1%:

1. Income Tax and all other Federal Taxes become redundant.
2. No tax on profits, savings, investments, assets or pay cheques.
3. No taxes on income, payroll, provisional, property, inheritance, or goods and services.
4. No income tax means an instant, tangible wage rise for everyone.
5. Goods and services will be cheaper without sales tax and import tax.
6. No sales or hidden taxes mean more in the pocket for those in the Welfare System.
7. The method of collecting revenue will be effected by Electronic Transfer Systems (EFT) through the Banks- the ultimate in security and efficiency.
8. No more time, money and paper wasted on daunting tax laws and complex tax returns.
9. Accountants employed by businesses, large and small, would be able use their training and experience in the manner in which it was meant to be used, i.e. making business more productive and cost efficient.
10. Small businesses will not be hindered by our present time consuming system and will consequently be encouraged to grow and employ more people.
11. Big Multi-National Companies will be required to pay their fair share.
12. No tax cheating or tax avoidance necessary or possible.
13. It would create a real user pays system.
14. Continuous flow of revenue to the National Treasury.
15. Our large and expanding national debt will be settled very quickly.
16. Australia will become the TAX HAVEN OF THE WORLD
17. Australia will indeed be the "Lucky Country".
18. It would allow people to save money for retirement, with no penalties.
19. Our National Fund Reserves would be rebuilt by the increase in savings deposits, deposits encouraged by the Debit Tax System. At present our reserves are at their lowest since the Great Depression.

Disadvantages of Our Present System

Our current outmoded Tax System has proven to be complicated and impracticable to businesses and individuals.

It has many disadvantages:

1. It pushes production out of Australia, creating an imbalance in trade and our increasing overseas debt.
2. It is inequitable and unjust. The Multi Nationals are exempt from paying their fair share.
3. It is costly in time and money.
4. It is extremely complicated.
5. It destroys incentive.
6. It penalises individuals who wish to succeed.
7. It is 'taxing' on small business.
8. It creates tax avoidance and cheating.
9. The A.T.O. currently is an enormous, inefficient and costly infrastructure to administer.

For more information go to:

www.nutech2000.com/webtext/upaussie/dtaxconcept.html

www.johnston-independent.com/debit_tax.html

<http://home.overflow.net.au/~nedwood/gst.html>