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# TAX TRANSFER CALCULATOR: INSTRUCTIONS

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## TAX TRANSFERS WHAT ARE THEY?

A Tax transfer is one type of welfare payment in the form of a tax relief, break, cut, rebate, inequity or subsidy which is not a payment in return for productive services but represents an income redistribution, whereby the rest of society is expected to carry the burden of that payment and/or make any shortfall payments directly resulting from that outlay. Traditionally, welfare payments or tax transfers were used to help subsidise the poor. Today they are being turned around and used as get-rich-quick type pyramid schemes to subsidise the wealthiest in society at the greatest expense of the poorest. Keep in mind that for a country like NZ, as of 2006, approximately 20% of the total revenue derived from taxes to run the government and all its programmes came from GST alone. This is just one type of Uniformed Tax Charge that one can explore with this calculator. Additionally, big business can rebate all their GST, unlike the rest of the population. Over the past twenty years there has been a steady move towards decentralisation—coupled with the privatisation and corporatisation of public assets—relative to funding responsibilities. This places more pressure directly on regional and local government bodies to fund and manage the state’s assets using these types’ of unsustainable poverty-creating tax systems as the present local-body infrastructure is not set up for anything more comprehensive. Ironically, what we have now, as a result, is an inverted and perverted form of Universal Income System paid out to everyone at progressive amounts—highest incomes receive the largest amounts and lowest incomes receive the least amounts-- and funded using a regressive tax rate. The lower half of the population pays more than they receive with the lowest incomes paying the most. The higher income categories progressively receive more than they pay with highest income categories receiving the most and paying the least in the country.

See the following “Power show” display to help understand the differences between the two key types of taxation systems:

- a) those based on a percentage of one’s income/resources versus
- b) those described here based on uniformed charges or user-pay systems

### **POWER SHOW DISPLAY: “WHO REALLY PAYS?”**

<http://uitrustnz.org/economics.htm#Taxation%20Systems:%20Who%20Really%20Pays?>

### **ARTICLES ON CORPORATE WELFARE**

See also the following articles on the corporate welfare and Universal Incomes given to the rich today:

<http://uitrustnz.org/poverty.htm#Corporate%20Welfare%20and%20the%20progressive%20Universal%20Incomes%20paid%20to%20the%20rich.>

## **INSTRUCTIONS: HOW TO USE THE TAX TRANSFER CALCULATOR**

1. Familiarise yourself with the Calculator. You can learn much by just studying the figures and commentaries in their present default values. There are four main ways of interacting with this calculator The left/right column highlight buttons in row 5; and the input fields in rows 2, 3, and 4 as well as their corresponding reset buttons next to them.
2. Go to row 5, column K; if the column isn't green click on the left button to highlight it in green. Clicking on the right button removes the column's highlight. The highlights of the other columns work the same way except they have a yellow highlight. For the most part column K should remain highlighted in green to easily identify the baseline [the amount held by those who have collectively the greatest proportion of society's wealth, resources, money and assets] for determining equity in the distribution and collection of government revenues or taxes. The regressive iniquitous charges or payments above are the varying transfer payments.
3. The baseline input form-box in column B, row 2 or B2, is where you place the value for Column K; the value being the amount of those having the greatest total wealth for that society of which you are trying to measure--including assets, money, income, resources and the like. Double click the B2 Input field and enter any number over 1 billion or leave it in its default value for most purposes in Aotearoa NZ for relatively accurate averages. Click the adjacent "Reset Button;" C1 to restore the default value of one billion dollars when you wish
4. B3 is the specific total income or resource/asset level which one wants to closely compare; one's own for example. Input and reset as in #3 above.
5. B4 is the input field for the specific level of user-pay tax, uniformed charge tax, fee, and/or the like which you wish to measure to determine the amount of tax transfers people will pay and to whom. You can input your own university fees, health fees, and so on to see how it works.

## **SPECIAL NOTE FOR OPEN OFFICE AND LIBRE OFFICE USERS**

1. Do not save this document in either Open Office or Libre Office/s native format from your corresponding programme. It will corrupt this document.

2. In Open Office the Row 5 Column Highlighter Buttons do not work. You can highlight by clicking the numeric row markers or the corresponding alphabetic column markers.
3. At the time of writing, the Calc programme for the new Open Office 3.3 has a bug with its row and column highlight buttons. You will need to hunt down one of its Macros fixes or see if they have created a formal patch for it yet.

## CONSIDERATIONS ON TAXING VIA UNIFORMED CHARGES

Many people forget that the "unit charge" that forms the basis of user-pay and rating system payments are set by the heaviest consumers and users of those resources. The actual power, resources, maintenance and infrastructure needs and costs to supply electricity to a large sky scraper, for example, greatly exceeds the power, maintenance and infrastructure needs and costs of a small dwelling. Yet it is the smallest dwellings of the poorest—who use the least resources—that will end up paying the highest percentage of their incomes towards subsidising the bills of the wealthiest and the largest consumers of electricity via their unit charge. This occurs in spite of the laws set up to protect them from this abuse. This is just one small example of what economists refer to as "externality payments," whereby financial advisors, for example, of big business and the wealthy promote individuals, groups and organisations who develop programmes and law changes that can force, coerce, manipulate and/or trick others into paying the costs of the wealthiest to help secure their fortunes at others expense.

## IMPORTANCE OF HAVING PUBLICLY ACCESSIBLE RECORDS OF ALL INCOME CATEGORIES; INCLUDING THE WEALTHIEST IN SOCIETY

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In New Zealand large corporations and the wealthy are permitted to have multiple votes in as many districts around the country as they have interests in, even though they may not live there. They can also use proxy votes and have their employees and other business affiliates vote as well as sign petitions on their behalf in the varying districts. Additionally, big business representatives such as the Business Round Table can set the agendas and policies for all local body councils via reports sent directly to management or the executives of local body councils. They then write the agendas for city council representatives to fine tune and approve. This can reduce the less experienced and informed elected city council officials to a status of rubber stampers of big business interests and managers on their behalf, rather than working as the representatives of the people and their expressed interests as they should be doing. Big business and the wealthiest in society or their representatives can further influence the full gamut of political agendas and decision-making on key interests via their lobbying powers of government officials. In short, no system responsibly seeking to promote equity in taxation, funding, and general economic rights can ignore the pervasive interests and incomes of the wealthiest in their calculations. The individual names of the wealthy are certainly not necessary, just the complete incomes and status information as we have legally mandated and enforced for everyone else in society. They, like everyone else in society, are all on publicly funded social benefits. As such, the public has a right and a responsibility to monitor all of its expenses to determine the best way of managing its money and resources. Presently, we are denying people in need the money and resources to live and participate as equals in our society.

Statistics New Zealand via its census studies posts everyone's incomes and household status whose incomes are \$100,000.00 or less, freely for all to see even into the negative values. Yet for people whose incomes exceed \$100,000.00 a year, their incomes are hidden from public access and usually cost much money to view. The public is only allowed the statistical averages of their incomes, which are worse than useless in most instances. In general, these averages provide false and distorted impressions of what the real figures are in actuality. The distortions include their subsequent effects on society, on systems of equity, sustainability, management, and the responsible allocation of society's resources. It turns out that these are the very reasons that we are supposed to be gathering precise census information to begin with. Yet we have jettisoned the objectives and the whole exercise of the census through this discriminative practice.

This calculator is meant to help remediate a few of the overwhelming shortcomings in current statistics gathering and presentations that can confuse people about where money comes from and where it goes. This is important in order to understand how we can better manage society's wealth so that all members' needs can be fully met according to the standards of legal human rights and sustainability laws.

What this calculator clearly illustrates, is that under these forms of taxation, every person in society receives a tax transfer—dole check--from those who have less money than them and pays a dole check—transfer payment--to those who have more money than them. Those who have the most money and resources receive the largest dole checks or transfer payments paid by everyone else in society. Those with the least income are forced to pay the most. Another Irony is that the legal minimum wage is supposed to be set at a level whereby one person's income is sufficient to provide for a household. As such, since from over twenty years now, New Zealand has had a work requirement for social welfare and unemployment, no one earning less than or equal to that minimum wage level is technically on the dole or receiving a tax transfer. A Tax transfer is by definition a payment to others without an exchange for labour. What appears to be a Tax transfer to them—close to half the population of New Zealand--is in fact compensation to their employers who are not paying them an adequate income. If they were receiving a legal minimum-wage they wouldn't need a social welfare subsidy.