

GST versus DEBIT TAX AND E-TAX

Total taxation is now so high that the average Australian works just under five months of the year for the government before putting one day in for himself.

Small business people work at least one day a week, unpaid, collecting taxes and doing paperwork for the taxation department.

Australian companies pay 48 cents in the dollar compared to foriegn-owned companies who pay less than 10 cents in the dollar.

The GST did not fix any of this. Perhaps the following paragraph of the tax act might explain why.

THE GST BILL - PAR 165-55

"For the purposes of making a declaration under this Subdivision, the Commissioner may:

- a. ____ treat a particular event that actually happened as not having happened; and
- b. ____ treat a particular event that did not actually happen as having happened and, if appropriate, treat the event as:
 - (i) having happened at a particular time; and
 - (ii) having involved particular action by a particular entity; and
- c. ____ treat a particular event that actually happened as:
 - (i) having happened at a time different from the time it actually happened; or
 - (ii) having involved particular action by a particular entity (whether or not the event actually involved any action by that entity)."

Source: www.agps.gov.au as at the 25 January 1999

**BUT IT'S NOT ALL THAT FUNNY - HERE'S AN EMAIL THAT CAME TO ME
THAT WILL WIPE THE SMILE OFF YOUR FACE SMARTLY**

OPINION Re GST

An Open Letter to Federal Parliamentarians and Others
26th February 2000.

1. The Goods and Services Tax which was introduced as a New Tax System for Australia may well be unconstitutional.
2. A close look at Section 51(ii) Commonwealth of Australia Constitution Act 1900 discloses that the Commonwealth has taxation powers but only so far as the tax does not discriminate against States or parts of States.
3. Let us look at a scenario where a grazier at Normanton sends his cattle to Mareeba to be sold. The beast brings in \$500.
4. Of that \$500 there is \$100 freight. So he pays GST of \$50 on top of the freight.
5. His net return is \$350
6. The same beast produced at Mareeba, also realizes \$500, and freight is only \$10.
7. The Mareeba man pays \$50 GST. He nets \$440.
8. Therefore, the man in Normanton pays \$50 on a beast which nets him after tax \$350 while the man in Mareeba pays \$50 on a beast that nets him after tax \$440.
9. The Normanton man pays 14.28% tax at the farm gate, and the Mareeba man pays 11.36% Tax.
10. This is prima facie discriminatory. Likewise, any inputs into the cost of production at Normanton are loaded with a freight component.
11. A citizen of Cairns wishing to attend the Olympics buying a ticket to do so, will pay an extra \$60 GST on his airline ticket. The people in Sydney, nothing.
12. A citizen of Perth will pay say \$80 GST a Sydney citizen nothing.
13. A citizen of Tasmania will pay almost as much as a person from Cairns.
14. Take a Holden Car manufactured in Melbourne.
15. At the factory gate GST tax on \$30,000 will be \$3000.
16. The car in the hands of the consumer will be \$33,000.
17. In Cairns after adding on \$1,500 freight, the GST tax will be \$3150.

18. The car in the hands of the consumer \$34,650.
19. In Darwin it will be even more.
20. How do we attack this discrimination in an effective and low cost way.
21. The answer is in the right to be indicted or to indict.
22. At common law, all disobedience to Statute was an indictable offence. The inclusion of Section 80 into the Constitution was designed to protect citizens from just such rapacious favoring of the capital cities.
23. At Federation, when the agreement or contract was formed between the people of the Colonies to form both States from colonies, and a Federation, this was a condition that had to be complied with.
24. The New tax system does not comply with the terms of the agreement and is invalid because of it.
25. Anyone who refuses to comply with the GST who does not reside in Canberra will have a constitutional defence to put to the jury when he is charged with disobedience to its unlawful demands.
26. Notwithstanding the definition of an offence against the GST as a summary offence triable before a single magistrate, the creeping reclassification of offences from indictable to summary that has occurred gradually, since 1900 is only a subterfuge.
27. The Justices Act 1886 grants a magistrate or two justices, power to hear offences summarily, however the use of the word may, means that he can do so, if the defendant does not insist upon an indictment.
28. In 1900, the only summary offences a citizen could consent to be tried by a magistrate for were offences carrying less than a three months term of imprisonment, and even then, a person could insist that he be indicted.
29. The Commonwealth, in a backdoor way intended to defeat the effect of Section 80 Constitution has redefined summary offences upwards from 3 months to 12 months in the Crimes Act 1914.
30. To enforce this , they have given a combined executive and judicial power to a single man or woman.
31. The Doctrine of the separation of powers is a farce under those conditions.
32. The judicial power of the Commonwealth was intended, by those who made the agreement to create the Commonwealth, to be enforced by a judge after a jury had found the facts of the case.
33. To pervert this, the Parliament of the Commonwealth , in 1903, contrary to Section 77(i)

Constitution passed sections 77A and 77B Judiciary Act 1903 (Cth) to give a discretion to a High Court judge to combine the judicial and administrative functions of a Court in himself.

34. This perverts the intention of Section 71 which provided that a Commonwealth Supreme Court to be called the High Court should have a minimum of three judges when it sat, so that the jury would have the best brains in the land to direct them on the law applicable to the facts they found.

35. In 1900 all Supreme Courts sat in original jurisdiction, with juries.

36. Since the Parliament has no power to define the jurisdiction of the High Court, it also has no power to define how it shall be exercised.

37. In that, the Chief Minister of the Northern Territory is correct. The Court system has corrupted itself, with the assistance of a dishonest Parliament.

38. When the people at the very top, are prepared to continue in corrupt practice, all underlings feel secure.

39. However, the Parliament of the Commonwealth also passed the Crimes Act 1914. In Part III of that Act it provides the remedy for corruption.

40. By the State and Territorial Laws and Records Recognition Act 1901 (Cth) the Criminal Code Act 1899 (Q) became federal law, and section 204 of that Act makes disobedience to Statute an indictable offence.

41. By the simple fact that the Commonwealth of Australia Constitution Act 1900 is a statute, then the executive government is committing an indictable offence if it attempts to introduce a tax system that discriminates.

42. Each and every minister could face indictment under the Crimes Act 1914 if there is a continuance with this nefarious scheme.

43. In Section 13 Crimes Act 1914 the Commonwealth provides that any person may prosecute for a Commonwealth offence, by an Act issued by the Parliament.

44. An American legal dictionary has described a Court as a " an incorporeal political entity".

45. Every three years or so, the High Court of Parliament must present itself to the big jury to renew its jurisdiction to make laws for the peace order and good government of the people of the Commonwealth.

46. Between elections, the Government of the day must conduct itself in accordance with the rules laid down by the Constitution.

47. Failure to do so, enlivens the jurisdiction of each and every citizen to bring the Government before a petit or little jury of 12 people to have the decisions of those who govern reviewed.

48. This is the true effect of Section 80 Constitution.

49. Find an honest judge or magistrate anywhere in Australia and the GST is dead.

50. I trust you find this proposition interesting.

Yours sincerely
Peter Alexander Gargan

THERE IS AN ALTERNATIVE THAT MAKES THE GST LOOK LIKE DAYLIGHT ROBBERY

The Government under John Howard has dismissed a revolutionary new taxation system that could put an end to all Federal taxes including income tax. With absolutely no investigation into the Debit Tax what-so-ever, John Howard has forged ahead with a GST that has been rejected by taxpayers all over the world in countries such as England, Canada and New Zealand.

When you examine the Debit Tax system it is hard to figure out why John Howard isn't falling over himself to, at least, investigate it's possibilities because in the three years that I have known about it I haven't found anyone who can fault it. It's benefits are so numerous it has only one drawback and that is that it is just unbelievable.

In fact economists and tax accountants who have looked into the Debit Tax have nothing but praise for it because it achieves fairness while eliminating time consuming paper-work, tax evasion, tax collection and forces multinationals to pay their fair share that is now being carried by the average tax-paying worker.

Compared to Howard's GST one wonders why people are not up in arms to have it debated in parliament. Australia has one of the most advanced banking systems in the world and it is set up perfectly to administer the Debit Tax which requires electronic debiting as withdrawals are made. The only people who should be against this tax are the multinationals who presently pay very little or no taxation, and can afford to administer their businesses to minimise tax obligations, something that the average worker is not able to do.

Our present taxation act runs to almost eight thousand pages and is so complicated that even taxation agents and accountants are confused and frustrated by it. In comparison the Debit Tax can be simply explained in half a dozen pages and requires no book-keeping at all. Accountants would be occupied in more productive areas such as business efficiency and productivity, while tax agents would be employed to monitor banking operations.

With the present self-assessment system the taxation department admits that they "cannot cope, so we leave it to you to attend to your tax obligations." It is estimated that small business spends at least one day a week doing unpaid work for the government administrating books and collecting taxes.

With the Debit Tax everyone pays the same amount which has been estimated to be .33c in the dollar (point three three cents in the dollar.)

FOR INSTANCE

Withdraw \$100 and you pay only 33cents
Withdraw \$500 and you pay only \$1.65
Withdraw \$1,000 and you pay only \$3.30
Withdraw \$10,000 and you pay only \$33.00
Withdraw \$100,000 and you pay only \$330.00
Withdraw \$200,000 and you pay only \$660.00
Withdraw \$400,000 and you pay only \$1,320.00
Withdraw \$800,000 and you pay only \$2,640.00
Withdraw \$1,000,000 (one million) and you pay only \$3,300.00
Withdraw \$10,000,000 (ten million)and you pay only \$33,000.00
Withdraw \$100,000,000 (one hundred million)and you pay only \$330,000.00
Withdraw \$1,000,000,000 (one billion) and you pay only \$3,300,000.00
Withdraw \$10,000,000,000 (ten billion) and you pay only \$33,000,000.00
Withdraw \$20,000,000,000 (twenty billion) and you pay only \$66,000,000.00
Withdraw \$100,000,000,000 (one hundred billion) and you pay only \$330,000,000.00

HOW MUCH DOES THE GOVERNMENT NEED TO OPERATE?

We can never be sure because that kind of information is almost impossible to get. Lets say approximately \$150 billion in a revenue year

HOW MUCH CAN THE DEBIT TAX RAISE PER FINANCIAL YEAR?

We need to know how much is withdrawn from banking institutions.
The Australian Payments System Council Report 1991-1992, issued by the Reserve Bank of Australia, states that \$120 BILLION is withdrawn from banking institutions *every working day* in ordinary business and trading.

These figures can be inflated when we take into account the amount of cash withdrawals from ATM's and EFTPOS, and withdrawals made on week-ends and public holidays. It is estimated that a more realistic figure for 1995 was around \$200 BILLION in withdrawals PER WORKING DAY

THE DEBIT TAX FORMULA IS SIMPLY ONE THIRD OF ONE PERCENT (0.33%)

A Debit Tax of only 0.33% on DAILY withdrawals of \$200 BILLION =
\$660 MILLION in federal revenue DAILY
That's \$165 BILLION in federal revenue YEARLY.
The government needs about \$100 Billion in revenue per year and the Debit Tax can

provide a surplus of around \$15 billion yearly. We could pay off our overseas debt in just four years and be debt free.

THE ADVANTAGES OF A DEBIT TAX

No more income tax or any other Federal tax.
One basic tax for everyone, no exceptions, even multinationals must pay.
No tax on profits, savings, investments, assets or pay cheques.
Personal wealth is no longer public knowledge.
No taxes on income, payroll, provisional, property, inheritance, goods and services.
No sales tax and import tax.
No capital gains tax.
No tax cheating or tax avoidance schemes can work under this system.
No more tax returns and book-keeping other than personal ledgers.
No more deeming.
It discourages cash in hand payments. No one is going to pay cash for a \$1200 refrigerator for the sake of not paying \$3.96 in Debit Tax.
Hardly anyone would carry or keep cash at home deterring theft and home invasions.
Foreign investors will find Australia with no tax barriers. Real incentive to do business here.
Australia will be virtually a duty free country.
Modern EFT systems are used to automatically deduct the tax.
Tax free savings encourages investments and deposits. Hoarding money under the bed will be a thing of the past when deposited or invested money could accumulate interest that would no longer be taxable in any way.

AN EXAMPLE OF HAVING NO SALES TAX

The average motor vehicle costs \$30,000, \$6000 of which is sales tax which would no longer apply. By eliminating sales tax the price is effectively \$24,000. The debit tax on \$24,000 is \$100.00. So the total saving would be \$5,900.

AN EXAMPLE OF HAVING NO INCOME TAX

The average employee would have an additional \$200 a week in his pay packet. New business would generate and demand employee opportunity.

SOME ITEMS THAT WOULD COST 32% LESS WITH THE DEBIT TAX

Radios and TV's, video recorders and players, cameras, watches, jewelry, amusement machines etc.

SOME ITEMS THAT WOULD COST 22% LESS WITH THE DEBIT TAX

Toothpaste, soft drinks, stationary, toys, sporting equipment, musical instruments, bicycles, caravans, cars and trucks, commercial equipment, pools and spas, video tapes, sunscreens, glue, handbags, etc..

SOME ITEMS THAT WOULD COST 12% LESS WITH THE DEBIT TAX

Flavoured milk drinks, Australian fruit and vegetable juices, ice cream, sweets, crockery,

maps, refrigerators, washing machines, air-conditioners, lighting, jugs and kettles, sewing machines, etc.

SO WHERE DOES ALL THE EXTRA MONEY COME FROM?

It forces those who presently do not pay their fair share of tax to share the load. Presently people on low wages and incomes are carrying giant corporations and multinationals who operate off shore and cheat our country of billions of dollars every year. **They can afford the tax but they pay a lot less into the campaign funds of the major parties who in turn take care of their interests.**

IF THIS IS A NEW IDEA, HOW DO WE KNOW THAT IT WILL WORK?

To initiate the introduction of the Debit Tax Treasury inspectors, through an encrypted programme, would adjust all bank and financial institution computers to hypothetically levy a 0.33% Debit Tax on all withdrawals one year before the Debit Tax comes on line. During that trial year, the Treasury will actually see and monitor the continuous flow of potential revenue to enter the Treasury coffers. When the trial, or dummy run, is completed at midnight on June 30th, real money will start flowing into the Treasury and all other Federal taxes will then cease. Banks and Financial institutions will not be required to alter their operations. Australia would be relieved of its huge tax burden and enter a highly prosperous tax free economy, attracting investment capital as the world's largest tax haven. It would be an offense under the Debit Tax Amendment Bill to deliberately operate outside the national money flow and the penalties would be severe.

SO WHY DOESN'T THE GOVERNMENT LOOK INTO THE DEBIT TAX?

Because it is not in the best interests of the wealthy and those who contribute hundreds of thousands to campaign funds. It is easier to screw the little man because he doesn't have the knowledge or money to fight the government on his own. Over 100 multinational companies each making more than \$300 million a year in Australia, paid no tax at all in 1996. The government is aware of this blatant avoidance of taxation by foreign-owned companies and does nothing about it while they continually invent more ways to slug the average citizen. The GST, for instance, is just another way of complicating our present system even more, adding a few more thousand pages to the tax act.

BUT WHAT'S THE GOVERNMENT'S ARGUEMENT AGAINST THE DEBIT TAX SYSTEM?

Put simply, they don't have one. I wrote to my local member for her response and was sent about four pages of absolute ridiculous gooblygoock similar to the GST Bill Par 165-55 (above) which when read by the average reader answers none of the questions we ask. On the John Laws show I have heard people ring up asking why the government will not discuss the Debit Tax and he only rings government ministers who have axes to grind and who fob him off with reasons such as it being a cascading tax that would cripple those who have multiple withdrawals every day. This argument has been disproved by the Debit Tax Council as being scare tactics because those making multiple withdrawals would be paying taxes only on those amounts and nothing else. Large and Small business people have applauded the Debit Tax as being workable for them. Only the government seems bent on making things as complicated as possible for us to keep us in the dark as much as they can.

If John Laws was anywhere fair about his listener's questions he would arrange a debate between the Debit Tax Council and the Minister for Taxation. The trouble is that it's been done before and the government can't handle the debate.

All the Major Parties are opposed because they are funded by the very people who would be affected by this tax. That is to say that these companies and multinationals would have to pay their fair share instead of bribing political parties, which is now much cheaper.

WHAT IF PEOPLE DIDN'T BANK THEIR MONEY AND KEPT CASH "UNDER THE BED"?

The average person would be pretty stupid to keep his life savings under the bed for the sake of a few dollars. Joe Blogg's yearly wage is \$100,000 and he wouldn't risk keeping that kind of money at home in a hiding place for the sake of \$330? He only has to pay tax on that money when he withdraws it from the bank, which would normally be in smaller amounts at a time. He'd be crazy to risk thieves and loss from fire etc. for such a paltry amount. There would be more incentive for him to bank the money and earn interest on it, which could help pay his tax on withdrawal of the amounts he needs.

The people who are earning millions of dollars are not going to Go to the expense of large vaults and costly security for the sake of a lousy \$3,300 per million tax paid only when they withdraw these amounts from the bank.

No one is penalized and everyone pays according to what they can afford. Everyone can afford tax if everyone pays.

WON'T PEOPLE JUST TRANSFER THEIR MONEY OUT OF THE COUNTRY TO DO BUSINESS?

Unless they plan to leave the country with suitcases stuffed with money (which could be detected by either the authorities or muggers), any transfer of money out of the country must be done electronically and thus incurs the Debit Tax automatically. The tax that they would have to pay on large sums is not really worth the risk when you consider that ten million in a suitcase could be snatched for the sake of a lousy thirty three thousand dollars. It's just not worth it. Big business would be foolish to hoard their billions in fortresses, paying for security guards, armoured trucks and expensive security equipment instead of banking because they could be earning interest instead. After all they only pay Debit Tax on withdrawal.

WHAT IF THE MULTINATIONALS DECIDE TO PACK UP AND GO HOME?

We wouldn't miss them because they don't benefit this country now. They don't pay their fair share of tax now and their leaving would make room for Australian companies to quickly fill their shoes and keep our money here at home. Hopefully that would happen and we could begin to buy back the farm that Labor and the Coalition have been selling off over the past thirty years.

THE WHOLE POINT!

If everyone pays tax no one pays a lot. The trouble with the present system is that it's just not fair and it's so complicated that no one, not even the taxation department knows the rules. Those who are paying the most taxes in this country are those who can least afford to because they are carrying the costs for those who make the most and pay the least.

WHY DON'T OTHER COUNTRIES HAVE THE DEBIT TAX SYSTEM?

The Debit Tax idea is not very old and is only easily set up in countries with relatively sophisticated banking systems. Australia leads the world in electronic banking and Australians are used to using ATMs (Automatic Transaction Machines) and EFTPOS (Electronic Funds Transfer at Point Of Sale) facilities daily. Australia could lead the world with this revolutionary simple and effective system which gives people incentive to work for money they actually get to keep and only pay tax on when they spend it.

HOW DO WE GET THE DEBIT TAX INTO PARLIAMENT?

The major parties are bi-partisan and will never allow the Debit Tax to be aired. Graeme Campbell has tried to raise the issue on several occasions and was fobbed off by John Howard who refused to debate the subject.

So you have to vote for a party who supports Citizen's Initiated Referenda. A system of government initiated by the people, for the people.

IS THERE A PARTY THAT SUPPORTS AUTOMATIC ELECTRONIC TAXATION?

Yes, One Nation's E-Tax includes the best elements of the proposals from both The Debit Tax Council of Australia and Australians for Tax Reform. Both of these organisations have been promoting similar systems for years. One Nation is the only party willing to put forward this taxation proposal and they need your support to do this. Find out how at.....

[PAULINE HANSON'S E-TAX](#)

THERE IS NOTHING NEW ABOUT C.I.R

AUSTRALIA, at the turn of the century, was a noted innovator in the practical application of democratic principles. The Australian Labor Party, from its earliest days in the 1890's adopted the principle of initiative and referendum not merely as a policy, but as one of the primary objectives of the party, both nationally and in the States. Unfortunately, an increasing unwillingness of politicians to share power with the people led the Labor Party to lose interest. Initiated Referendum was removed from their platform in 1963.

SWITZERLAND: In over 100 years of Citizen's Initiated Referendum, after voting on 300 issues, the Swiss people have approved approximately 50% of issues placed before them. In 1977 the people rejected a value added tax; in 1986 they rejected a proposal to join the United Nations; in 1984 the people rejected the Government's proposal to reduce the working week from 42 hours to 38 hours. Switzerland today is one of the most prosperous

countries on earth.

UNITED STATES: In the U.S.A. 23 states have some form of C.I.R. In California, in 1987 the people rejected a government move to dispose of waste toxins in the ground. Four U.S. states have voted to bring back the death penalty through referendum. In Florida the people passed a law to force their government to balance the budget on only 80% of total revenue.

ITALY used C.I.R. in 1991 to remove existing laws that allowed corruption by criminal elements of political parties and officials. No politicians had the courage to take on such organised and entrenched corruption. The Italians voted a huge 95% "yes" to get rid of the offending legislation.

SPAIN: When the Spanish Government wanted to leave NATO the people rejected the proposal. In contrast, the people of New Zealand were never given a direct say when PM Lange took NEW ZEALAND out of ANZUS. Similarly in CANADA the people were not consulted when their flag was changed to the red maple leaf, a move that most Canadians resented bitterly.

[MORE ABOUT C.I.R.](#)

You know how you sometimes get an email which was not meant to be yours but you got it anyway? Well, here's one that came to me before the GST was introduced and I agree with it. Here it is unedited:-

Peter,

I suspect you are not even on our planet. If you cannot understand the hardship that will accompany the GST you have simply not put enough thought into the exercise. The GST will not catch those who are in the black economy. The black economy will expand as cash and barter become the exchange media of choice. Wake up. Stop listening to the drivel pumped out by Peter Costamore and the rest of the brain-dead internationalist lickspittles. Try thinking for yourself for a change instead of listening to the party and the clap-trap they feed you. You need to look at history and understand that everything ever done by an authority to attempt to place the people under a heel has been self-defeating. The prohibition on alcohol in the 20s failed miserably. Ask yourself why, after spending millions of dollars on the war against drugs, their use becomes more widespread by the day.

If you think the attempt to impose World Government on the people will succeed, think again. Bureaucrats cannot even run a local government council so I fail to see how they will run the planet. It may be in place for a short period of time, but it will fail as it must.

I had quite a conversation with the cab driver who drove me home tonight. He explained why driver have left the industry in droves. He is in his fifties. Still paying off his house at \$220 per week and will require a gross salary of just over \$60,000 per year, if the GST were to come to pass, just to maintain his current life-style. Why is it that you think he should lower his standard of living to fit in with a criminal taxation system imposed upon the people who didn't want it, by a bunch of over-paid, out-of-touch arrogant clowns simply because they are carrying out the wishes of the criminal IMF, while you and your mates increase your salaries and allowances by whatever is thought to be suitable whenever it is felt to be OK. You leeches are simply too thick to understand the community and your reign of arrogance is swiftly coming to an end. This is the year of the people and when you and the rest of the leeches find yourselves gasping for sustenance when your snouts have been ejected from the public trough and you have been thrown off the gravy train, by a citizenry that has quite simply had enough of your paternalistic, nose-thumbing, don't bother asking anyone why it happened.

Sail on,

Len Clampett.

-----Original Message-----

From: Lindsay, Peter (MP) [mailto:Peter.Lindsay.MP@aph.gov.au]

Sent: Wednesday, 31 May 2000 8:48

To: 'Freedom'

Subject: RE: GST

RADIO COMMENTATOR TAKES COSTELLO TO TASK

For many years Alan Jones has championed the cause of the people. Not always, but, in fairness, he mostly gets it right. He stood by Howard with the GST and he still agrees with the concept mainly because he is against income taxes as opposed to consumption taxes. In July 2001 he interviewed the Treasurer Peter Costello who squirmed under Jones' persistent questions on company related taxes.

Here is a small part of that interview.

JONES "Treasurer, I just hope that as a result of this interview you understand the anguish that is existing out there created directly or indirectly by you - directly by the tax office, when people have done their best to understand whether they are contractors or others - done their best to live within the law - they're not cheats these people. They've done their best, they are innocent and honest Australians and they resent Carmody (the Taxation Minister) or anyone else telling them six years down the track that they're cheats and they're dishonest."

COSTELLO "Well Alan, can I say I do understand the people who are in this position. I have spoken to them - I have met them and I have spoken to the commissioner about them and I think the fair way is to have a court, an independent court, to say whether or not the tax is payable and if the tax is payable, the tax has got to be paid"

"The law which will be governing this transaction is the law that is applied at the time. So what are we going to do? Who's going to interpret the law for us? Well, the proper thing to do. I think, is to go to a court of law. If the court of law says people are not liable for tax they're not liable for the tax. That's it"

There you have it folks. No one knows what taxes you have to pay. You have to go to court and get a judgement and if in the mean time you are wrong.....?