

# SELWYN JOHNSTON

## INDEPENDENT COMMUNITY REPRESENTATIVES' ADVOCATE

*(Cairns... Far North Queensland)*



*Thank you for visiting my on-line office.*

*I appreciate your interest in the issues that effect not only Queenslanders, but all Australians.*

*Please [let me hear](#) from you about your views on the issues that matter to your Family, your Community and your State.*

*Sincerely,*

*Selwyn Johnston*



*One person, with the support of the community, can make a difference*

# 'Financial Transaction Tax (FTT)'

## The National Debit Tax Concept

"For 44 years, Multi-Nationals have paid little or no tax!"

*(Jim Kilally, Asst. Commissioner, Australian Taxation Office  
Sydney Morning Herald 28/1/97)*

## What is the National Debit Tax Concept

### *'Financial Transaction Tax - FTT'*

#### The Debit Tax Formula

The Debit Tax Formula is simply an added percentage, one third of one percent (0.33%) is suggested, to the amount withdrawn from all accounts by Banking and Financial institutions.

This tax, when cleared, is instantly deposited through the Electronic Funds Transfer (EFT) system into the National Treasury.

#### How the National Debit Tax Concept works

Every hour of the day money is withdrawn from savings accounts, cheque accounts, insurance companies, business and investment organisations, and financial institutions of all kinds. Indeed, ALL monetary transactions are withdrawn from some type of bank or financial institution that holds money in trust.

The Australian Payments System Council Report 1991 - 1992, issued by the Reserve Bank of Australia, states that \$120 BILLION is withdrawn from banks EVERY WORKING DAY in ordinary business and trading.

Just one simple and moderate Debit Tax of ONE THIRD OF ONE PERCENT - 0.33% - added on all monies withdrawn provides the National Treasury with annual revenue of \$99 BILLION.

**A Financial Transaction Tax of only 0.33% on DAILY withdrawals of \$120  
BILLION**

**EQUALS**

**\$396 MILLION IN FEDERAL REVENUE DAILY**

**OR EQUALS**

**\$99 BILLION IN FEDERAL REVENUE ANNUALLY**

**(These figures are based on the 1991 - 1992 Reserve Bank Reports of  
NON- CASH withdrawals)**

**The amount of CASH withdrawals made from ATM's and EFTPOS, and  
withdrawals made on weekends and public holidays are NOT taken into account  
here. It is estimated that a more realistic figure for 1995 is around \$200 BILLION in  
withdrawals per WORKING DAY.**

**A Financial Transaction Tax of only 0.33% on DAILY withdrawals of \$200  
BILLION**

**EQUALS**

**\$660 MILLION IN FEDERAL REVENUE DAILY**

**OR EQUALS**

**\$165 BILLION IN FEDERAL REVENUE ANNUALLY**

**The Government requires \$96 Billion in revenue per year. The National Debit Tax  
Concept provides the Government with an ANNUAL SURPLUS OF \$69 BILLION.**

*Note 1 : Annual calculations are based on 250 working days ( 52 x 5 day weeks less 10 days in public  
holidays)*

*Note 2 : These figures are bases on Reserve Bank of Australia Reports for 1991/1992 and 1995. Current  
figures are not available.*

## **Advantages of the National Debit Tax Concept**

**Some of the advantages of using just one Financial Transaction Tax of only 0.33%**

- Income Tax and all other Federal Taxes become invalid**
- No tax on profits, savings, investments, assets or pay cheques**

- **No taxes on income, payroll, provisional, property, inheritance, or goods and services**
- **No income tax means an instant tangible wage rise for everyone**
- **Goods and services will be cheaper without sales tax and import tax**
- **No sales or hidden taxes mean more in the pocket for those in the Welfare System**
- **The method of collecting revenue will be effected by Electronic Transfer Systems (EFT) - the ultimate in efficiency**
- **No more time, money and paper wasted on daunting tax laws and complex tax returns**
- **Tax collectors will be appointed to more productive and useful positions**
- **Accountants employed by businesses, large and small, would be able to use their training and experience in the manner in which it was meant to be used, ie. making business more productive and cost efficient**
- **Small businesses will not be hindered by our present time consuming system, and will consequently be encouraged to grow and employ more people**
- **ALL Multi-National Companies will be required to pay their fair share**
- **NO tax cheating or tax avoidance necessary or possible**
- **It would create a real user pays system**
- **Continuous flow of revenue to the National Treasury**
- **Our large and expanding national debt will be settled very quickly**
- **Australia will become the TAX HAVEN OF THE WORLD**
- **Australia will indeed be the "Lucky Country"**
- **It would allow people to save money for retirement, with no penalties**
- **Our National Fund Reserves would be rebuilt by the increase in savings deposits, deposits encouraged by the National Debit Tax Concept. At present our reserves are at there 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:

- It pushes production out of Australia, creating an imbalance in trade and our increasing overseas debt
- It is inequitable and unjust
- It is costly in time and money
- It is complicated
- It destroys incentive
- It penalizes individuals who wish to succeed
- It is taxing on small business
- It creates tax avoidance and cheating
- Multi-National companies pay little or NO tax

### [The Debit Tax Document](#)

The National Debit Tax Concept (FTT) Scale - 'A' and 'B' indicates current Tax scale.

Wage/Salary	\$30,000p/a (\$575 p/w)	\$35,000p/a (\$675 p/w)	\$40,000p/a (\$770 p/w)	\$45,000p/a (\$865 p/w)	\$50,000p/a (\$960 p/w)
'A' With Tax Free Threshold	\$131	\$166	\$204	\$246	\$289
'B' No Tax Free Threshold	\$201	\$246	\$292	\$338	\$384
FTT - (Debit Tax)	\$2	\$2	\$3	\$3	\$3
INCREASED take-home PAY	'A' - \$129 'B' - \$199	'A' - \$164 'B' - \$244	'A' - \$201 'B' - \$289	'A' - \$243 'B' - \$335	'A' - \$286 'B' - \$381

The Australian Taxpayer's personal income tax, accounts for \$59 billion of Taxation revenue raised.

The revenue raised on behalf of Company Tax was \$12 billion.

The Question: WHY the vast discrepancy?

The Answer: Australian Small businesses and companies pay their taxation commitments by contributing the greater part of the Company Tax raised but...

**MULTI-NATIONALS COMPANIES PAY LITTLE OR NO TAX!**

The government has manipulated the Australian Taxpayer into paying not only their own taxes, but also those of the multi-national companies.

Australians are demanding Taxation Reforms that include the multi-national companies paying the equivalent rate of taxation as that of ALL Australian Small businesses and companies. The THOUSANDS of millions of untaxed Australian dollars being remitted annually to international banks, at the expense of the Australian Taxpayer, MUST STOP NOW.

### **Extract from the GST Legislation, Section 165-55**

165-55: The Commissioner may disregard a scheme in making declarations 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 a 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 a particular action by a particular entity (whether or not the event actually involved any action by that entity).

The above piece of Australian Taxation Legislation confirms the words of Mark Twain when he said:

*'The World is run by very intelligent people who are having us on, or by imbeciles who mean what they say.'*