

19 February 2018

Hon Stuart Nash, MP
Minister of Revenue
Parliament Buildings
WELLINGTON 6160

Dear Minister

TAX WORKING GROUP AND THE DE MINIMIS

Further to our conversation before Christmas, I am writing to express Retail NZ's deep concern about the apparent lack of progress by the Tax Working Group in relation to the de minimis.

Since our meeting, we have learned through the media that the previous Government did, in fact, have well-advanced plans to deal with this issue through a GST registration system. This previous work confirms the advice we have previously provided to Ministers and officials that the simplest and most straightforward way of levelling the taxation playing field is to require foreign firms to register for GST.

From our meeting, I had understood that the Tax Working Group would be looking at the issue as a matter of priority, and in advance of its other work. I am concerned that, subsequently, there appears to have been no progress on dealing with the de minimis issue. There is no public information about how the issue is being dealt with specifically, or the Tax Working Group's timeline for doing so. Indeed, I note that notwithstanding your public comments, the de minimis does not appear to be specifically included within the terms of reference for the Group.

Given that the previous Government had advanced the matter, we think it should be a relatively straightforward matter for the Tax Working Group to consider that work, and report to you on it, ahead of the 2018 Budget. This would then allow early implementation during the 2018/19 financial year.

Retail NZ is not represented by any member of the Tax Working Group, so we have no insight into how it is functioning. I would be grateful if you could please let me know what process the Tax Working Group is following, and when it is likely to progress this issue.

You will appreciate that, from the point of view of the retail sector, this issue is increasingly urgent. It is simply unsustainable for a sector which employs 10 per cent of all working New Zealanders to suffer a significant price disadvantage when compared to its international competitors.

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We stand ready to assist the Working Group in its deliberations, and look forward to being in a providing it with detailed analysis of the problem.

Yours sincerely

Yours sincerely



Scott Fisher
Chief Executive

c.c. Hon Grant Robertson MP, Minister of Finance