It's time to tax the Internet: affirmative

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17 Oct 2013



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- ► These distortions are a dead-weight cost of reallocating money from taxpayers to the government.
- Universal GST represents one of the least distortionary ways to raise tax, and therefore is preferable to other taxes from an efficiency point of view.



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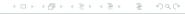
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 - ► The volume of sales at *in-state* online retailers falls by approximately 3-4%.



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 - Cause foreign retailers to lose 45-60% of their sales to New Zealand.
 - ► Cause NZ online retailers to gain 27% additional sales.



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 - Distortions due to old taxes and asymmetric GST training removed.

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- Clearly, other countries are managing to collect taxes on small transactions.



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- ► Tax treaties: we collect foreign countries' GST in exchange for their collecting ours.

