

TAX SNAPS

Tax Snaps presents CTSI's most recent statistics on what Australians think about tax matters. In our survey work, where we contact random samples of Australians, we often find views that are a little different from those we commonly hear about in the media. These are the views that we select as a Tax Snap.

April 2003 Tax Snaps

What are people's thoughts on the GST?

- The majority of people (80%) surveyed in 2002, 18 months after the introduction of the GST, think that some goods should be exempted from the GST;
- 79% expressed the view that that more changes are required;
- 70% think the GST makes unreasonable demands on small business;
- 69% agreed that the GST is hard on the most vulnerable members of our community; and
- 71% maintained that problems could have been avoided if the government listened more to the community.

Are all Australian citizens paying their fair share of tax - now (2002) and then (2000)?

The majority of people surveyed in both years - 2000 and 2002 - feel that Chief Executives of large national corporations don't pay their fair share of tax (78% in 2000, 79% in 2002). Next on the list are owner-managers of large companies - 70% then and 75% now. Third are senior judges and barristers, 64% then and 73% now, an increase of almost 10 percent over 2 years. Surgeons are fourth (60 % in both years), followed by doctors in general practice (50 % in both years).

What do Australians think about tax reduction strategies?

Only 3 % agree that it is 'all right' to under-state income on a tax return by \$10,000; however, 19% agree that it's 'all right' to join a tax scheme that relies on loopholes in the law to provide deductions of \$10,000.

In addition:

- 55% agree it's 'all right' to invest in rental housing, claim mortgage interest and other expenses in excess of rental income to reduce the tax they have to pay;
- 5% think it is 'all right' for people to claim higher tax deductions than they are entitled to; and
- 6% agree it's 'all right' to declare bankruptcy so that they don't have to pay back taxes that they owe.

What do Australians think are the reasons behind people working in the cash economy?

Respondents to our 'Community Hopes, Fears and Actions' survey in 2000 were asked why they thought people worked for cash-in-hand payments (cash money payments that tax is not paid on):

- 92% think that it is to avoid paying tax on the money they earn;
- 89% believe it is to have more disposable income;
- 84% suppose it is because they need the extra money; and
- 67% feel it is because income tax is too high.

Tax Snap References

Tax Snap data comes the Community Hopes, Fears and Action Survey (2000) and the Australian Tax System: Fair or Not Survey (2002). For a more detailed and complete analysis of what taxpayers think about tax matters see the CTSI Working Paper Series (<http://ctsi.anu.edu.au/publications.html>) or our Work in Progress page (<http://ctsi.anu.edu.au/unpublished.html>).