Media release  
18 July 2018

LABOUR MULTINATIONAL TAX MOVE A GOOD START - BUT NEEDS TO GO FURTHER
Retail NZ says it’s great news that the Labour Party is proposing a crackdown on multinational tax avoidance, but wants action on multinationals to focus specifically on GST as well as corporate tax.

“It’s well reported that some multinationals operating in New Zealand may not be paying their fair share of tax, and Retail NZ is supportive of any measures that level the playing field between foreign and New Zealand firms,” Retail NZ’s General Manager for Public Affairs, Greg Harford, said today. “The Government is working on these issues too, but it’s great to see Andrew Little showing leadership by writing directly to the top 50 foreign firms operating in New Zealand and asking them to pay their fair share of corporate tax. However, this needs to go further and also apply to foreign retailers who are selling here but dodging GST.

“The retail sector, in particular, is disadvantaged by current government tax rules that allow some of the largest retail companies in the world to sell directly to New Zealanders without paying GST and duty to the New Zealand Government. The current Government is mired in inaction on the issue, which is costing the Government more than $235 million a year in lost revenue, but also contributing to a loss of market share by New Zealand retailers.

“A very small number of online retailers account for more than 98% of all online purchases by New Zealanders, so it would be an easy matter for the Government to approach them directly to discuss the issue, as Mr Little has sought to do for corporate tax.

“The New Zealand Government needs to follow the Australian lead and require foreign retailers to register for GST if they are selling to New Zealanders. This is a simple and cost-effective solution that would both level the playing field and make sure that multinationals are paying their fair share of tax.”

For further information, please contact:
Greg Harford
GM Public Affairs
Retail NZ
027 243 2842