

## **Senate Economics Legislation Committee Inquiry into *Lower Tax Bill* 2018**

### **Comments of the Australian Taxpayers' Alliance (ATA)**

#### **Introduction**

- 1.1. The ATA thanks the committee for the opportunity to present comments on behalf of our stakeholders on the abovementioned bill which proposes to significantly cut the tax burden placed upon millions of Australians. The ATA notes that unreasonably high taxes are a handbrake on economic growth, prosperity and individual human flourishing.
- 1.2. The ATA is a 75,000+ member grassroots taxpayers' advocacy group which stands for the principles of individual freedom, minimising government waste and rolling back inefficient or ineffective regulatory barriers which impede the progress and prosperity of Australia's economy and the welfare of taxpaying individuals and businesses.
- 1.3. While the ATA's many members share differing views on the precise and ideal mix of taxes for the Australian economy, we broadly stand for lower, flatter and fairer taxes which promote efficiency, are equitable, minimise administrative burdens and costs, and are easy and convenient to pay. The ATA further believes in the shrewd management of government finances, including cuts to unnecessary or wasteful spending, which ought to be paired with tax cuts in order to avoid public debt that inevitably burdens future generations who are forced to bear its costs, often through future tax hikes.
- 1.4. The following sections will comment on the bill's individual proposals, including their implications for taxpayers and where applicable, reform solutions which are politically expedient.

### **Company tax cut**

- 2.1. The ATA supports The Lower Tax Bill's proposed reduction of Australia's company tax rate to 20 percent as this will ensure that Australia remains competitive as a foreign investment destination. Singapore's company tax rate of 18 percent and recent company tax rate cuts in the UK, France and USA risk putting Australia's prosperity in danger as foreign investment creates jobs and benefits Australians of all stripes. The company tax cut will also promote reduced tax evasion by foreign companies as the cost of establishing the necessary mechanisms to minimise tax liability become less worthwhile relative to the cost of paying the tax, and benefit Australian shareholders by granting them quicker access to their money even if they currently benefit from dividend imputation through franking credits,
- 2.2. The ATA notes that the ultimate burden of corporate income taxes doesn't fall on corporations, but is instead borne by workers, shareholders and consumers. Every dollar taken from a company in company tax is one less dollar which could be invested in growth, expansion, job creation, training, innovation or another economically beneficial activity. Costs are also often passed on to consumers through higher prices and to workers through effective pay cuts relative to the salary the business could pay if it was able to keep more of its income. This applies to both Australian businesses as well as foreign businesses operating in Australia.
- 2.3. Australia's dividend imputation and franking credit system shield Australian investors in Australian companies from 'double taxation' by providing a tax refund. This effectively shields these investors from the impact of Australia's 30 percent company tax rate where they pay income tax. However, even these investors are adversely impacted by Australia's company tax as it functions as a 'withholding tax', thereby denying them the return on the value that the money would have generated were it retained in the company.
- 2.4. As early as 2010, the Henry Tax Review commissioned by the Rudd government recommended that Australia's company tax rate be lowered to 25 percent from 30

percent.<sup>1</sup> Since then, 3 countries which we depend on significantly for foreign investment, Japan, USA and the UK, have reduced their company tax rates.<sup>2</sup> It is therefore submitted that in lieu of abolition, Australia's company tax rate should be reduced significantly.

- 2.5. Economist Chris Murphy of Australian National University notes that *"for consumers, cutting the company tax rate from 30 per cent to 25 per cent has an estimated benefit that is 2.04 times the cost to government."*<sup>3</sup> This is because the cost of the tax is largely borne by Australian consumers and workers as it is passed on from the companies affected. This makes company tax cuts even more beneficial for many consumers than cuts to income tax or GST as it affects the prices they ultimately pay for goods and services. Murphy further notes that *"The very extensive international research on profit shifting, including involving detailed analysis of the behaviour of individual multinationals, shows that every reduction in a country's company tax rate helps reduce profit shifting."*<sup>4</sup> In this regard, any reduction in Australia's company tax is likely to assist in combating offshore tax avoidance by multinational companies by lowering the relative benefit of profit shifting and attracting investment to Australia.
- 2.6. It is therefore submitted that the company tax should be lowered to 20 percent to ensure that Australia keeps up with the rest of the world. Alternatively, it should be lowered to 25 percent in line with the Henry Tax Review determinations.
- 2.7. It is further submitted that a cut can be phased in over time rather than immediate in order to reduce the windfall gain to foreign investors from their existing investments here, while acting as a signal for future investment in Australia.

## **Import Duties**

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<sup>1</sup> Henry, K., Harmer, J., Piggott, J., Ridout, H., & Smith, G. (2009). Australia's future tax system. *Canberra, Commonwealth Treasury*.

<sup>2</sup> Chris Murphy, "Company tax cut will build our society not tear it up" *Australian Financial Review* 27 Mar 2018. <https://www.afr.com/news/economy/company-tax-cut-will-build-our-society-not-tear-it-up-20180327-h0y1e7>

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

- 3.1. The ATA supports The Lower Tax Bill's proposed abolition of all import duties. Import duties damage both Australian consumers and businesses by artificially increasing prices on goods, services, and imported factors of production. They hence lower living standards while preventing the development of competitive products by negating producers from responding to market signals.
- 3.2. According to a 2015 study by international accounting and consultancy network UHY which compared 18 economies,<sup>5</sup> Australian businesses and consumers are paying comparatively high prices for goods compared to their counterparts in other developed nations due to significantly higher taxes levied through our import duties relative to the size of our economy. While Australia's import duties were equivalent to 0.46 percent of our GDP and this is marginally lower than the global average of 0.47 percent, it is still far higher compared to the developing world whereby EU economies levied 0.13 percent of their GDP on average, and even the United States and Canada recorded lower takings at 0.19 percent and 0.21 percent respectively. While the ATA notes that these figures may have since changed due to political developments such as the imposition of tariffs under US President Donald Trump,<sup>6</sup> the evidence nonetheless indicates that Australian import duties at unreasonably high levels relative to other developed countries, are acting as a handbrake on our prosperity by undermining our living standards relative to our peers, and reducing our international competitiveness. It is hence submitted that these duties should be reduced and ideally, abolished. It is submitted that anti-dumping measures can be utilised to police genuinely anti-competitive behaviour by foreign businesses.

#### **Imported Vehicle Tariff and "Luxury" Car Tax**

- 4.1. The ATA supports The Lower Tax Bill's proposed abolition of imported vehicle tariffs and the so-called luxury car tax. Both of these taxes are unconscionable cash grabs from mainly poor and middle-class Australians, especially those who lack the luxury of living

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<sup>5</sup> UHY Haines Norton, "Australia's high import duties undermine domestic competitiveness" 15 August 2015. [http://www.uhyhnsydney.com.au/images/Australias\\_Custom\\_Duties.pdf](http://www.uhyhnsydney.com.au/images/Australias_Custom_Duties.pdf)

<sup>6</sup> Mark Niguette, "Trump's Tariffs Are Producing Billions, But China Isn't Paying" *Bloomberg* 17 January 2019. <https://www.bloomberg.com/news/articles/2019-01-17/trump-s-tariffs-are-producing-billions-but-china-isn-t-paying>

close to good public transport in relatively affluent urban areas.

- 4.2. The imported vehicle tariff and luxury car tax (LCT) collectively add over \$1.1 billion in added costs to Australian vehicle purchasers a year. The tariff on imported vehicles from countries without a free trade agreement amounts to \$470 million or an average of \$1900 per vehicle a year.<sup>7</sup> These artificial costs are inexcusable given Australia's commitment to trade liberalisation and the fact that they were meant to protect Australia's now non-existent vehicle manufacturing industry.
- 4.3. Ironically, Australian companies like Holden which still employ Australians to conduct research to the tune of over \$90 million a year, are now burdened by the tax that was meant to protect their Australian presence as Holden vehicles manufactured in Poland, Germany and Mexico are subject to the tariff.<sup>8</sup>
- 4.4. The name "luxury car tax" is an inappropriate misnomer. The tax applies to vehicles which are not necessarily luxury vehicles, but which command a higher price due to their quality or suitability for particular purposes or the requirements of large families. For example, vehicles like the Land Cruiser and other four wheel drives are captured by the luxury car tax. This ultimately penalises farmers, outdoor enthusiasts and Australians with large families who already face higher than average living costs.<sup>9</sup> The luxury car tax is therefore regressive in nature for many Australians and their families who are unconscionably penalised by it.
- 4.5. Even in cases where the luxury car tax applies to genuine luxury cars, it is submitted that the tax is unconscionable as wealthier Australians already pay higher rates and amounts of income tax, capital gains tax and other taxes. It is submitted that the luxury car tax then does nothing other than arbitrarily impose extra taxes on a product because it is considered an expensive product and those paying it are considered as being capable of bearing the cost.

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<sup>7</sup> James Paterson, "Grand auto theft: Motor vehicle tax protects industry that no longer exists" *Australian Financial Review* 8 July 2018. <https://www.afr.com/news/economy/grand-auto-theft-motor-vehicle-tax-protects-industry-that-no-longer-exists-20180708-h12ef7>

<sup>8</sup> Ibid.

<sup>9</sup> David McCowen "The Breakdown: Luxury Car Tax" *drive.com.au* 2 August 2017.

<https://www.drive.com.au/motor-news/why-luxury-cars-cost-too-much-in-australia-gwjimpt.html>

4.6. The Productivity Commission recommended that the Australian Government should progressively relax the restrictions on the importation of second-hand passenger and light commercial vehicles in 2014.<sup>10</sup> It is submitted that this recommendation should be put into force now to ensure fairness for Australian vehicle purchasers who are primarily from lower or middle class backgrounds.

4.7. It is submitted that the abovementioned vehicle taxes should also be abolished as they have contributed to the ageing of the fleet of vehicles now operating on our roads by making new vehicles less affordable. Newer cars are safer. Currently, the average Australian vehicle is 10 years old. According to Australian Automobile Association analysis, reducing this average by just a year would save 1,377 lives over a 20 years and would cut crashes by 5.4 per cent, thereby reducing injuries which require hospitalisation by 44,000 and those which don't require hospitalisation by a whopping 262,000.<sup>11</sup>

### **Wine Equalisation Levy & Alcohol Duties**

5.1. ATA believes that so-called 'sin taxes' on products such as alcohol should be repealed or significantly reduced. Not only do these taxes distort the market while penalising mainly the majority of consumers who drink responsibly, they also represent the overreach of government whereby the relative price inelasticity of these products is used as justification to exploit ordinary consumers for the purpose of raising government revenue.

5.2. The introduction of the GST in the 1990s resulted in the repeal of several product-specific taxes, with alcohol being a significant exception. The bi-annual CPI increases to beer and spirits excise taxes and a 29% Wine Equalisation Tax (WET) have rendered Australia one of the highest alcohol-taxing OECD countries.<sup>12</sup>

5.3. This inhibits craft and boutique producers from entering the market and growing their business above a size in which a tax concession presently exists. Other countries with wine, beer, cider, and spirit producers choose not to tax these industries at all (or very lightly).

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<sup>10</sup> *Productivity Commission Position Paper January 2014 - Australia's Automotive Manufacturing Industry*. Canberra (2014) p. 32.

<sup>11</sup> See Footnote 7.

<sup>12</sup> <http://www.news.com.au/finance/money/why-do-we-pay-so-much-for-alcohol/news-story/1647c23acc476553ade5d77774b8fa7d> (November 26 2014)

- 5.4. The ATA recommends that these taxes be reviewed and replaced or significantly reduced in order to foster small business and a more competitive market. The ATA also recommends that tax concessions based on business size be removed. Though the ATA ordinarily favours tax concessions which foster business, we believe that these concessions have the opposite effect of discouraging growth and competition by discouraging businesses from expanding beyond a certain size or scale.
- 5.5. It is submitted that the present alcohol taxation regime in Australia hurts businesses and unreasonably discriminates between producers of some beverages (such as beer and wine) over others such as distilled spirits. The result is that Australians pay some of the highest taxes on spirits in the western world, whereby our domestic spirits struggle to compete against cheaper imported spirits.
- 5.6. Currently, beer and wine is taxed at 4 cents per standard measure whereas a single shot of spirits is taxed at \$1. Beer and wine makers also benefit from a significant tax rebate of the first \$300,000 in collected excise which they can reinvest into their business, product or brand in order to foster its growth. Spirit manufacturers do not receive this rebate.<sup>13</sup>
- 5.7. This regime discourages small businesses such as independent distilleries, many of which are located in rural or regional tourist destinations, from entering the market, growing their business or further developing their product.
- 5.8. In a country known internationally for its regional boutique wine and beer producers, there is no reason why the potential for boutique distilleries and the tourism revenue they could directly and indirectly generate should be needlessly hindered.
- 5.9. ATA recommends a single volumetric tax for alcohol products that taxes drinks based on their individual content rather than based upon the type of alcohol they contain. The ATA supports this approach on the pre-condition that the total amount of revenue raised by the tax after the introduction of volumetric taxation of alcohol does not exceed the total revenue currently raised. This will ensure that the reform does not result in an effective tax increase.

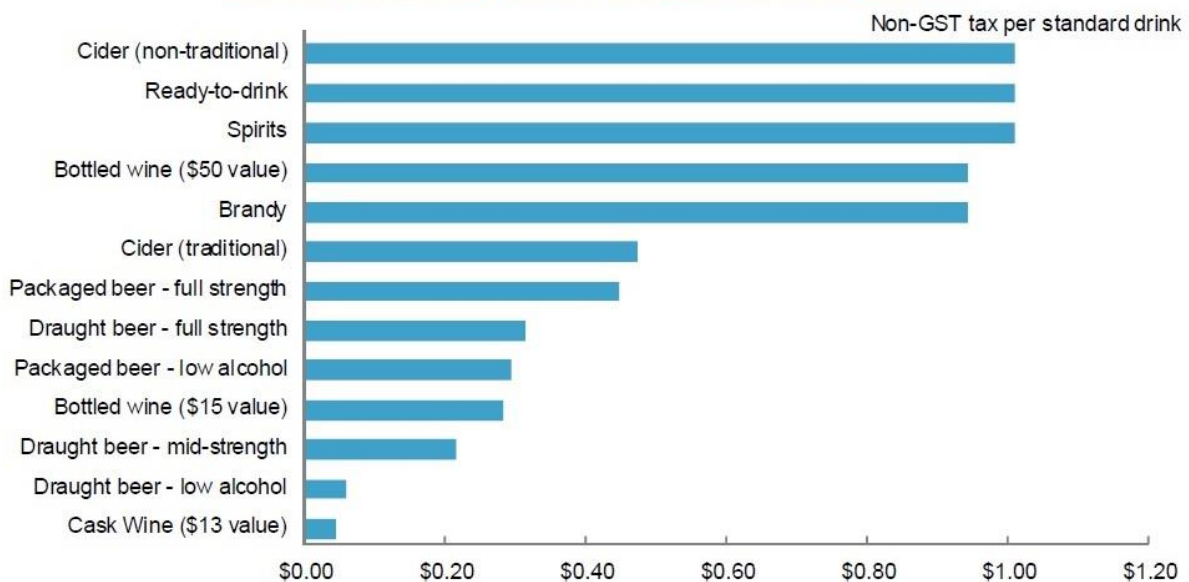
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<sup>13</sup> <http://www.abc.net.au/news/2015-10-18/liquor-makers-hoping-for-fairer-tax-outcome/6861700> (19 Oct 2015)

5.10. The ATA also recommends that the tax rebate offered to beer and wine makers be extended to manufacturers of distilled spirits so these businesses may reap the same benefits which have seen our beer and wine industry grow to be internationally renowned and competitive.

5.11. The following chart illustrates the paradoxical and contrasting results of Australia’s complex, multilayered alcohol taxation system which ultimately hurts businesses due to its complexity, unfairly and arbitrarily favours some alcohol products over others and hurts consumers. A volumetric tax system for alcohol would simplify the process and hence promote favourable outcomes for business and consumer.

**Chart 9.2 Alcohol tax paid per standard drink, August 2014**



SOURCE: RE: think tax discussion paper (30 March 2015, accessed on 3 February 2017)

<http://bettertax.gov.au/publications/discussion-paper/>

5.12. The tax paid on a standard drink of full-strength beer exceeds the per standard drink tax paid on draught beer.

5.13. The tax is paid per standard drink upon purchase of low-alcohol bottled beer than mid-strength beer available on tap.

5.14. A Ready To Drink (RTD) product with the same alcohol content as a full-strength beer is taxed at double the rate under a measure introduced in 2008 which remains in place today.

5.15. At one extreme, 5 cents of tax is paid per standard drink for cask wine. At the other extreme, \$1 is paid per standard drink of spirits and RTD products despite evidence



suggesting any imperative reason for such a tax rate discrepancy between the two alcohol products.<sup>14</sup>

- 5.16. Brewers pay less excise for beer sold in vessels larger than 48L and beer sold in vessels (kegs and bottles) less than 48L attract a higher rate of excise. This effectively punishes smaller, craft brewers and makes it even more difficult for them to compete with their large, established, mass-producing counterparts.

### **Passenger Movement Charge**

6.1. It is submitted that abolishing the passenger movement levy will end a tax that unfairly discriminates against foreign tourists who patronise Australian businesses, and will deliver a boost to our tourism industry which will support thousands of businesses and workers. As noted in the Lower Tax Bill's explanatory memorandum, the tax revenue which the charge raises is unrelated to the cost of government-provided border services for the tourists charged.

6.2. It is submitted that the abolition of this charge would be timely in light of recent trends. Sam Huang, a professor of tourism and services marketing from Edith Cowan University, notes that while the tourist influx from China may have been growing strongly for many years, it is likely to slow down as China's economy experiences a slowdown.<sup>15</sup> Tourism Research Australia confirms that more than 1.3 million Chinese — excluding children — visited Australia last year, accounting for more than 15 percent of the total inbound market.<sup>16</sup> This group spent more than \$11.5 billion in Australia.<sup>17</sup> A UBS report on the travel intentions of Chinese citizens found a sharp downward trend in intention to visit Australia over 2018 and attributes this to worsening economic conditions in China.<sup>18</sup> It is submitted that abolishing the passenger movement charge will either help revitalise Chinese tourism in Australia by making it a more affordable prospect, or will encourage tourists from other countries to make up the shortfall. The ATA notes that tourists from Europe and the Americas for example, are often put off by the high cost of airfares to Australia relative to destinations which are of closer geographical proximity to them. The provision of tax relief is likely to make the prospect of visiting Australia more attractive.

### **Major Bank Levy**

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<sup>14</sup> <http://www.businessinsider.com.au/this-ridiculous-chart-reveals-the-complexity-of-australian-taxes-when-all-you-want-is-a-drink-2015-3>

<sup>15</sup> Jason Fang "Chinese tourism boom could slow down if Australia becomes complacent, expert warns" *ABC News* 26 Jan 2019. <https://www.abc.net.au/news/2019-01-26/warnings-not-to-be-complacent-with-chinese-tourism-market/10746516>

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

7.1. It is submitted that the major bank levy introduced by the Turnbull government in 2017 should be abolished as its costs are passed onto borrowers and other recipients of banking services through higher prices, or to shareholders, whereby a majority of Australians hold shares in these banks through their superannuation funds. It is submitted that the exemption for smaller banks and lenders is insufficient as a mitigation measure as it discourages smaller banks from growing and providing even better/cheaper services. It is further submitted that the rationale that the 'big banks' have engaged in risky transactions which have the potential to impact the stability of Australia's economy does not apply to Australia's bank levy as it is not a 'pigouvian tax' that is calculated based on the risk connoted by the actions of a particular bank. Rather, it is simply a revenue-raising tax that is applied to banks based on their liabilities. Such a tax is likely to result in the perverse outcome of skewing a bank's holdings towards more risky assets in order to reduce tax liability, that is if it does not simply result in costs passed onto borrowers and service recipients or shareholders.

7.2. It is further submitted that abolishing the bank levy is advisable given the disastrous impacts of similar levies worldwide. Germany's bank levy raised revenue which was far below what was expected and was found to have reduced lending and driven up interest rates for borrowers.<sup>19</sup> In UK, banks responded to the levy by lowering their liabilities and acquiring investment in more risky assets.<sup>20</sup> In Austria, the government was forced to slash their levy by 80% and change how it was calculated in 2016 after the disastrous impact it had on their economy-reducing the build-up of capital by Austrian banks and causing a 25 percent decline in the Austrian banking sector's profits between 2011 and 2015.<sup>21</sup> In Hungary, the banking levy facilitated the near-failure and subsequent nationalisation of banks, with the Hungarian government reducing it in order to increase credit availability.<sup>22</sup> It is submitted that cutting Australia's bank levy is likely to have similar benefits without the need for monetary policy intervention.

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<sup>19</sup> Buch, C. M., Hilberg, B., & Tonzer, L. (2016). Taxing banks: An evaluation of the German bank levy. *Journal of banking & finance*, 72, 52-66. <https://www.sciencedirect.com/science/article/pii/S0378426616301297>

<sup>20</sup> Devereux, M. P., Johannesen, N., & Vella, J. (2015). Can taxes tame the banks? Evidence from the European bank levies. *Evidence from the European Bank Levies (April 23, 2015)*. Saïd Business School WP, 5.

<sup>21</sup> "Fitch: Lower Austrian bank levy to aid in competitiveness, capital" *Reuters* 18 July 2016. <https://www.reuters.com/article/idUSFit967573>

<sup>22</sup> Gergely Szakacs "Hungary to set new strategy involving Budapest Bank by Dec 15.- official" *Reuters* 8 December 2016. <https://www.reuters.com/article/hungary-budapestbank-idUSL5N1E23TJ>

## Fuel Tax

8.1. It is submitted that fuel tax should be abolished or significantly reduced as it is an unfair and regressive tax and its abolition will improve the living standards of poor and middle-class Australians. The poor spend disproportionately more of their income than wealthier Australians.<sup>23</sup> In France, dissatisfaction over fuel tax hikes was responsible for political unrest and helped drive the 'yellow vest' movement which successfully lobbied for a reduced fuel tax.<sup>24</sup> Fuel taxes also unnecessarily add to cost of living for Australians who live further away from business districts and do not have access to reliable or efficient public transport. Lower fuel taxes will have benefits across the economy as they will lower the cost of goods by making transport and distribution cheaper. Although it has been argued that fuel taxes help pay for road infrastructure which is used by those footing the bill for the tax, this is manifestly not the way in which the fuel tax is calculated. It is submitted that the fuel tax, once abolished, can be replaced with road tolls for public road infrastructure and upgrades which must be paid for. It is submitted that this is a fairer tax policy than the status quo of a fuel tax. It is further submitted that a fuel tax cannot be justified on environmental grounds as it is firstly not calculated based on cost to the environment and secondly, in light of evidence from the Australian government's chief scientist Dr. Finkel, that even the total elimination of Australia's 1.3 percent contribution to global greenhouse gas emissions will not have any significant impact on climate change or global temperatures.<sup>25</sup>

## Lower, flatter and fairer income tax

9.1. It is submitted that raising the income tax threshold and implementing a flat income tax as the *Lower Tax Bill* suggests, will deliver immense benefits by increasing the wealth of Australian workers and increasing the incentives for promotions and career progression. It will also deliver benefits in the form of increased consumption which will stimulate the economy as individuals are able to spend more of what they earn.

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<sup>23</sup> The Australia Institute, "Petrol tax: progressive or regressive? Check the facts"  
<http://www.tai.org.au/content/petrol-tax-progressive-or-regressive-check-facts>

<sup>24</sup> Cécile Barbière "France reopens carbon tax debate that fuelled 'yellow vest' protests" *Euractiv* 24 January 2019. <https://www.euractiv.com/section/energy/news/french-energy-transition-conferences-reopen-carbon-tax-debate/>

<sup>25</sup> Economics Legislation Committee Estimates, Industry, Innovation and Science Portfolio, 1 June 2017.  
[https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees/estimate/e3ddf88b-3e9c-4546-9d90-8f646689a98c/0003;page=0;query=\(Dataset:commsen,commrep,commjnt,estimate,commbill%20SearchCategory Phrase:%22committees%22\)%20Dataset Phrase:%22estimate%22;rec=11?fbclid=IwAR3hniXUdxdkKeGlr mYR YCG9p3LLw1nIG Fe m8t0C6uuJtR6Le1jEkQj0](https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees/estimate/e3ddf88b-3e9c-4546-9d90-8f646689a98c/0003;page=0;query=(Dataset:commsen,commrep,commjnt,estimate,commbill%20SearchCategory Phrase:%22committees%22)%20Dataset Phrase:%22estimate%22;rec=11?fbclid=IwAR3hniXUdxdkKeGlr mYR YCG9p3LLw1nIG Fe m8t0C6uuJtR6Le1jEkQj0)

9.2. The benefits of flatter taxes are confirmed by international experience. Russia adopted a flat tax of 13 per cent in 2001. The move increased tax collection sevenfold. Economic growth saw a strong boost in the years following, with Russia's GDP rising by 5.1 per cent in 2001, 4.7 per cent in 2002 and a massive 7.3 per cent in 2003.<sup>26</sup> Hong Kong maintains a flat max income tax of 15 percent and has consistently remained one of the world's fastest growing economies.<sup>27</sup> Hungary introduced a flat tax in 2012, raising tax revenue by 7.6 per cent in a year that saw Hungary's GDP decline by 1.6 per cent. Disposable income and consumption quickly rose since the flat tax effectively cut workers' personal income tax burdens. This allowed the Hungarian government to increase revenue through their GST and aided Hungary's recovery from a deep recession.<sup>28</sup>

### **Medicare Levy**

10.1. It is submitted that the medicare levy can be reduced or repealed and replaced with fees that can be charged for visiting a GP where the patient is able to afford it. It is submitted that this means-tested 'user pays' system is a fairer means of funding medicare which will maintain Australia's generous safety net and maintain universal accessibility of healthcare for all Australians by managing the burdens it placed on our public spending. Exceptions can also be made for Australians who must make frequent visits to the doctor due to long-term conditions.

### **Conclusion**

11.1. It is submitted that the abovementioned tax cuts should be passed in order to deliver fairness and relief to hardworking Australian taxpayers while preserving sufficient revenue to provide essential public services to those who cannot afford them. It is submitted that these cuts should be 'phased in' alongside cuts to government spending in order to ensure that the tax cuts do not cause an increase in public debt to be shouldered by future generations.



**Satya Marar**  
**Director of Policy - Australian Taxpayers' Alliance (ATA)**



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<sup>26</sup> Dr. Daniel J. Mitchell, "Russia's Flat Tax Miracle" *Heritage Foundation* 24 March 2003.

<https://www.heritage.org/europe/commentary/russias-flat-tax-miracle>

<sup>27</sup> Peter Stock, "The Flat Tax Works -- Check Out The Hong Kong Experience" *Business Insider* 15 July 2010.

<https://www.businessinsider.com.au/america-take-example-on-hong-kongs-simple-and-efficient-flat-tax-2010-7?r=US&IR=T>

<sup>28</sup> Fahim Mostafa, "The Hungarian Experience Has Strengthened The Case For Flat Taxes" *Forbes* 27 January 2017. <https://www.forbes.com/sites/realspin/2017/01/27/the-hungarian-experience-has-strengthened-the-case-for-flat-taxes/#366f299d4775>