

Reaction To Proposed Tax Cuts

"The Reserve Bank estimates that personal taxes will be cut by 1.5 billion dollars next year making the average tax payer about \$15 better off each week. Would \$15 a week make a noticeable difference to your standard of living?"

	8-13 DEC 2007
Yes	33%
No	66%
Don't know	2%
TOTAL	101%*

Base: N=996 New Zealanders 8-13 December 2007 *Total does not sum to 100% due to rounding

- The proposed tax cuts of \$1.5 billion in 2008 would make a noticeable difference to the standard of living to a third (33%) of New Zealanders
- Conversely, these cuts would make no difference to the standard of living to two thirds (66%) of New Zealanders
- Those who would see a noticeable difference to their standard of living are more likely to be:
 - Younger (Aged 18-34) – 41%
 - Females – 39%
 - Lower household income earners (less than \$30,000/year) – 55%
 - Labour Party Supporters – 43%
- Those who would not see a noticeable difference to their standard of living are more likely to be:
 - Aged between 35 and 54 – 26%
 - Males – 25%
 - Higher household income earners (over \$70,000/year) – 19%
 - National Party Supporters – 23%

"If you did get an extra \$15 a week which of the following best describes how you think you would use it....?"

	8-13 DEC 2007
I would save it	25%
I would put it towards everyday items like food, bills, paying off debt	66%
I would spend it on discretionary items like going out, buying clothes, holidays etc	8%
Don't know	1%
TOTAL	100%

Base: N=996 New Zealanders 8-13 December 2007

- If New Zealanders were to receive an extra \$15 a week from tax cuts the majority (66%) would put this towards everyday items such as food, bills or debt while a quarter (25%) say they would save it and less than 1 in 10 (8%) would spend it on discretionary type items such as going out, clothes or holidays

- Those more likely to use their extra \$15 from the proposed tax cuts on everyday items are:
 - Aged 35 to 54 – 71%
 - Middle household income earners (\$30,001 - \$70,000/year) – 73%

- There are no significant differences amongst the sub-groups of those who would save their extra money from tax cuts or amongst those who would spend it on discretionary items