

LIVING



TAX-FREE

LIVING TAX FREE

“An essential part of economic freedom is freedom to choose how to use our income: how much to spend on ourselves and on what items; how much to save and in what form; how much to give away and to whom. Currently, more than 40 percent of our income is disposed of on our behalf by government at federal, state, and local levels combined”.

Free To Choose, by Milton & Rose Friedman



Preface

The purpose of this book is to reduce your existing tax burden down to US\$20 or less. It is called a departure tax! Don't miss the next Freedom Airlines flight now:

- PROMOTIONAL OFFER -

Freedom Airlines flying daily to most offshore destinations has a special promotional offer:

The Departure Lounge

- Are you losing from one quarter to two thirds of your lifetime earnings in tax?
- Do you feel you are not getting value for money from your tax dollars, see them squandered on a daily basis but feel powerless to do anything about it?
- Is your ability to achieve financial freedom buried under a mountain of tax legislation?

The Destination Hall

- Would you like to keep the fruits of your labor and live tax-free?
- Would you like to spend your tax money and shape the world in a way that reflects your values, and not those of someone else?
- Would you like to make this year's tax return your last?

Special Promotional Offer

Fly today and save all the tax you would have paid throughout the rest of your life!

All passengers please proceed to topic 1 now for pre-flight information.



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1: Taxes Around The World

A Comparison of Countries

In the tropical tax havens of the Caribbean along with some 25 or so other tax havens around the world the sun has already set on tax.

Instead of swimming up to your eyeballs in tax you could be swimming in the turquoise waters of the Caribbean, living off the money saved from taxes.

You can wait for the sun to set on tax within your high tax country of origin, or take the next flight out and have it set immediately.

This book outlines a strategy which when implemented will gradually see the sun set on tax, and the dawn of a new and exciting lifestyle living legally tax free.

Imagine living in the tropical Caribbean, glitzy Europe, exotic Orient or fun-loving South America with a tax-free source of income from your offshore investments.

You could be living in the Bahamas, Monaco, Hong Kong, Thailand or Panama to name but a few of the exciting retirement destinations, with a tax free source of income from Luxembourg, Switzerland or similar reputable tax haven with neither income or capital gains tax.

By contrast there is nothing more dangerous than keeping your money in a country confiscating the major part of your income in tax, plus a long list of laws from divorce to litigation doing similar to your assets. Like communism, high tax countries show scant respect for your property, confiscating it behind a thin veil of legitimacy via laws enacted.

High tax governments have created an endless list of tax laws that have placed you in financial servitude and driven their most productive citizens offshore. Soon you will join them.



By contrast in a tax haven tax is zero with a commitment to protection rather than plunder.

Your choices are either tax haven prosperity and freedom or high tax poverty and servitude. Don't delay, join the freedom loving crowd offshore whilst you still have any money left at all.

So where does your country stand in terms of tax?

Income Tax:

Table 1 on the next page shows the income tax paid by individuals for a representative sample of countries throughout the world, using personal income tax scales.

The table shows the percentage of gross earnings lost in tax calculated for a single worker without children earning the average wage in that country (OECD). The table includes any employee and employer social security contributions.

The average wage in that country has been converted to US dollars and adjusted for purchasing power parity (PPP).

Some countries such as the US, Switzerland, Canada also levy state tax in addition to federal tax. The state tax has also been included in the table based either on a representative state, or using an average tax across all states.

So for example the income of a worker in New Zealand on the average wage is US\$341,592. On this salary the worker would pay 18.4% in tax, leaving a take home pay of US\$33,866.

The table also shows the average tax paid for someone who is earning 167% of the average wage. So for a New Zealand worker earning 167% of the average wage in that country (i.e. $US\$41,502 \times 167\% = US\$69,308$) they would pay 24% in tax leaving US\$52,674 net income.

Whilst the purpose of this table is to give you some idea of taxes around the world, it would be instructive for you to pause now and determine the percentage of tax you are paying on your existing income using past notices of assessment, or by calculating it via your latest personal tax scales.



| PERSONAL INCOME TAX IN OECD COUNTRIES | | | | | |
|---------------------------------------|----------------------------------|----------------------------|------------------|-----------------------------|------------------|
| COUNTRY | Average Gross wage in US\$ | For average wage earner | | For 167% of average wage | |
| | | % Tax paid | Net wage US\$ | % Tax paid | Net wage US\$ |
| Australia | \$59,806 | 28.9% | \$42,522 | 34.3% | \$65,618 |
| Austria | \$60,737 | 47.6% | \$31,826 | 50.9% | \$49,803 |
| Belgium | \$62,378 | 52.7% | \$29,505 | 59.0% | \$42,711 |
| Canada | \$42,730 | 30.7% | \$29,612 | 32.1% | \$48,453 |
| Czech Rep. | \$30,712 | 43.7% | \$17,291 | 45.7% | \$27,850 |
| Denmark | \$61,827 | 36.7% | \$39,136 | 42.5% | \$59,369 |
| Finland | \$50,542 | 42.3% | \$29,163 | 48.6% | \$43,384 |
| France | \$51,504 | 47.6% | \$26,988 | 54.1% | \$39,479 |
| Germany | \$67,254 | 49.5% | \$33,963 | 51.3% | \$54,697 |
| Greece | \$36,806 | 40.9% | \$21,752 | 46.6% | \$32,823 |
| Hungary | \$29,768 | 45.0% | \$16,372 | 45.0% | \$27,342 |
| Ireland | \$59,930 | 32.7% | \$40,333 | 41.5% | \$58,549 |
| Italy | \$45,291 | 47.9% | \$23,597 | 54.0% | \$34,793 |
| Japan | \$51,849 | 32.6% | \$34,946 | 35.1% | \$56,195 |
| Korea | \$56,488 | 23.0% | \$43,495 | 25.4% | \$70,373 |
| Luxembourg | \$68,735 | 38.2% | \$42,478 | 45.5% | \$62,559 |
| Mexico | \$13,081 | 19.7% | \$10,504 | 22.7% | \$16,886 |
| Netherlands | \$65,227 | 37.7% | \$40,636 | 42.2% | \$62,961 |
| New Zealand | \$41,502 | 18.4% | \$33,866 | 24.0% | \$52,674 |
| Norway | \$57,161 | 35.8% | \$36,697 | 41.6% | \$55,748 |
| Poland | \$31,476 | 35.8% | \$20,208 | 36.3% | \$33,484 |
| Portugal | \$31,866 | 40.7% | \$18,897 | 46.0% | \$28,737 |
| Slovak Rep. | \$25,147 | 41.7% | \$14,661 | 43.6% | \$23,686 |
| Spain | \$42,535 | 39.4% | \$25,776 | 43.8% | \$39,920 |
| Sweden | \$51,219 | 43.1% | \$29,144 | 51.8% | \$41,228 |
| Switzerland | \$77,370 | 22.2% | \$60,194 | 26.9% | \$94,451 |
| UK | \$57,095 | 30.9% | \$39,453 | 37.3% | \$59,784 |
| US | \$54,951 | 29.6% | \$38,686 | 34.1% | \$60,476 |
| Average | \$49,464 | 37.0% | \$31,132 | 41.5% | \$48,001 |

Table 1



Note the average tax paid throughout the countries in table 1 by a worker earning the average wage in that country is 37%, and for a worker earning 167% of the average wage the average tax paid is 41.5%.

For comparison between countries Table 1 has converted wages to US\$ at prevailing exchange rates.

Note in table 1 that the country with the highest gross income is Switzerland where a worker on the average wage is earning US\$77,370.

The country with the highest tax on the average worker is Belgium with 52.7% tax and the lowest is New Zealand on 18.4%.

The country with the highest after tax income (net wage) is Switzerland with the average wage earner taking home US\$60,194. Next are Korea (\$43,495), Australia (\$42,522), Luxembourg (\$42,478), Netherlands (\$40,636), Ireland (\$40,333), UK (\$39,453), Denmark (\$39,136) & US (\$38,686).

Other Forms of Tax:

Realize the above table represents direct federal and state income tax only. It includes taxes the individual pays on income from sources such as business or employment, interest on bank accounts, net rents from property, dividends from shares, capital gains on the sale of assets etc. all declared on local tax returns.

Though the average worker is losing 36.8% of earnings in direct taxation alone, there are other indirect taxes not included in table 1. These include goods and services tax, wealth tax, payroll tax, customs and excise, gift tax, business registration, hotel accommodation tax, stamp duty on property, financial tax on banking and broker transactions, inheritance, estate and probate taxes, and local taxes such as rates, levies, etc.

Table 2 shows the percentage of tax paid in relation to total tax revenue split into direct and indirect taxation for the same selection of countries (OECD:2016).



| TAX AS A PERCENTAGE OF TOTAL TAX REVENUES | | | | |
|---|-----------------------------------|------------------------|-------------|---------------|
| Country | Direct Tax | Indirect Tax | | Corporate Tax |
| | Personal plus social security tax | Goods and services tax | Other tax | |
| Australia | 40.80% | 27.10% | 15.60% | 16.50% |
| Austria | 56.30% | 28.30% | 9.80% | 5.60% |
| Belgium | 58.80% | 24.50% | 8.90% | 7.80% |
| Canada | 51.20% | 23.30% | 15.00% | 10.50% |
| Czech Rep. | 54.10% | 33.00% | 1.90% | 11.00% |
| Denmark | 53.60% | 32.10% | 8.50% | 5.80% |
| Finland | 58.70% | 32.80% | 3.50% | 5.00% |
| France | 55.60% | 24.40% | 15.50% | 4.50% |
| Germany | 64.20% | 27.10% | 3.50% | 5.20% |
| Greece | 43.70% | 39.60% | 10.20% | 6.50% |
| Hungary | 46.50% | 42.20% | 5.30% | 6.00% |
| Ireland | 48.40% | 32.70% | 7.40% | 11.50% |
| Italy | 55.90% | 28.10% | 11.00% | 5.00% |
| Japan | 59.00% | 20.40% | 8.60% | 12.00% |
| Korea | 43.80% | 28.10% | 14.50% | 13.60% |
| Luxembourg | 53.20% | 25.20% | 9.40% | 12.20% |
| Mexico | 33.40% | 38.80% | 6.80% | 21.00% |
| Netherlands | 56.70% | 29.50% | 5.10% | 8.70% |
| New Zealand | 36.80% | 38.30% | 9.40% | 15.50% |
| Norway | 55.00% | 31.40% | 3.20% | 10.40% |
| Poland | 52.50% | 36.40% | 5.60% | 5.50% |
| Portugal | 46.40% | 39.60% | 5.10% | 8.90% |
| Slovak Rep. | 53.70% | 33.10% | 2.40% | 10.80% |
| Spain | 55.60% | 29.40% | 8.20% | 6.80% |
| Sweden | 52.40% | 28.10% | 13.30% | 6.20% |
| Switzerland | 55.30% | 21.40% | 12.00% | 11.30% |
| UK | 46.30% | 32.30% | 13.10% | 8.30% |
| US | 64.30% | 16.90% | 11.20% | 7.60% |
| Average | 51.8% | 30.2% | 8.7% | 9.3% |

Table 2

