At its last meeting the Working Party agreed to invite delegations to submit comments on the Revised Outline for the Examination of Border Tax Practices.

Comments which have been received are attached hereto.
AUSTRALIA

Section C of Part I

We would prefer deletion of the first five questions for reasons similar to those advanced by Japan.

The relevance of questions 6, 7 and 8 is not clear to us. In the case of question 6, it is difficult to see the connexion between property taxes and the proposed definition of border tax adjustments. If the question remains, it may be necessary to indicate whether the answer is to cover arrangements for the avoidance of double taxation. Question 8 presumably would cover the refund of sales tax and drawback of the import duties on the export of goods. If so, it could be made clearer.

Part III, Miscellaneous

We would prefer deletion of the first and second questions for reasons given in footnote no. 1.

UNITED STATES

1. In footnote 3, page 1, the Technical Working Group has attempted to define "border tax adjustments" in terms of the destination principle. We do not believe that for the purposes of the Working Party's examination of this problem, the definition should be stated in terms of an abstract goal which may or may not be the goal countries are attempting to attain by their border tax adjustments. Accordingly the United States would propose the following more neutral, descriptive definition in terms of the actions which countries actually take: "Border tax adjustments are defined to cover the fiscal adjustments which countries may make, explicitly or implicitly, to relieve exports from the taxes levied on domestic goods and to impose domestic taxes on imported goods."

2. We suggest the deletion of paragraph I.B(c)6. since the answer would be one of judgment rather than fact and more properly belongs in the later discussion of effects rather than practices. If the Community considers this paragraph important, we would withdraw our suggestion but some clarification is needed to better understand the type of information being elicited.

3. We have no objection to the removal of the brackets on question III.5 but it would be helpful if the Community indicated which taxes are to be included within the term "indirect taxes" since there is no generally accepted definition of this term. In addition it would be helpful if the Community indicated how the importance of these taxes is to be measured (e.g., by their relationship to total tax revenues).