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Senate Economics Legislation Committee

SUBMISSION ON THE MAJOR BANK LEVY BILL 2017

I recently commented to in "The Economist", proposing that the legislation introducing the large bank levy include a provision that the levy will be phased out if the government proposal to reduce the large company tax rate to 25% is not passed by Parliament. Here is a link to my comments on this matter:

<http://www.economist.com/comment/3430340#comment-3430340>

I also include those comments below.

I write in relation to the recently proposed large bank levy in Australia. The Australian government has proposed that the company tax rate be reduced from 30% to 25%. This includes for large banks. There is some doubt that this proposal will every be fully passed by the Australian Parliament, particularly in relation to large companies. In that context, I feel that the legislation for the large bank levy should be designed such that it be phased out over time, if the company tax rate reduction legislation, as it applies to the large banks, is not passed by the Australian Parliament. The current Australian government could achieve this now, given it has control in the House of Representatives, but may not be able to achieve it in future, if it is in opposition. The primary goal of this proposal is that the large Australian banks not face long term both a company tax rate of 30%, combined with a large bank levy.

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