

Senate Standing Committee on Economics  
ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

**Inquiry into the** Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019

[Provisions]

**Division:** Individuals and Indirect Tax Division  
**Topic:** Drop-off in business activity  
**Reference:** Spoken

**Question:**

**Senator KIM CARR:** Budget declarations were made last year. This bill was tabled in December. Since that time, there's been a dramatic drop-off in business activity. On top of that, you've had a very significant drop in the level of employment and JobKeeper payments cannot be included in any claims for R&D; that is correct, is it not?

**Mr Maloney:** I'm not aware.

**Senator KIM CARR:** You're not aware?

**Mr Fraser:** I think we'd have to talk to the ATO.

**Senator KIM CARR:** Perhaps I should put another question on notice, but it's my understanding that you can't reclaim those costs the government has just paid you for your JobKeeper payments. That would not be an unreasonable assertion to make, I put it to you as officers of the Treasury. If that's the case, then these figures should have to be quite significantly reassessed. This \$1.8 billion alone must have to be reassessed. The first recession in 30 years must lead to a re-evaluation, a parameter change, as you put it.

**Answer:**

The Australian Taxation Office is in the process of finalising its view on how the Research and Development provisions apply to wages subsidised by JobKeeper payments and expects to publish draft guidance for public consultation shortly.