Question on notice no. 296

Portfolio question number: 296

2017-18 Supplementary budget estimates

Economics Committee, Treasury Portfolio

Senator Chris Ketter: asked the Department of the Treasury on 25 October 2017—

(1. Can you confirm that at the end of the Governments full Enterprise Tax Plan as proposed that passive investment companies will be eligible for the 25% rate?
2. If so, why is it valid to deny passive investment companies the lower rate during the phasing in of the Enterprise Tax Plan, but allow them once the rate is 25% for entities of all sizes?

Answer —

See attachment.
Division/Agency: Corporate and International Tax Division
Question No: 296
Topic: Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2017
Reference: Written
Senator: Chris Ketter

Question:

1. Can you confirm that at the end of the Government’s full Enterprise Tax Plan as proposed that passive investment companies will be eligible for the 25% rate?
2. If so, why is it valid to deny passive investment companies the lower rate during the “phasing in” of the Enterprise Tax Plan, but allow them once the rate is 25% for entities of all sizes?

Answer:

1. The Government’s policy, as announced in the 2016-17 Budget and reflected in the Treasury Laws Amendment (Enterprise Tax Plan No. 2) Bill 2017, is to unify the company tax rate for all companies at 27.5 per cent in 2023-24 before progressively lowering the rate to 25 per cent by 2026-27.
2. Please refer to SBT 294.