

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: Treasury

Question: AET 354-356

Topic: R&D Tax Incentives

Reference: written - 11 March 2015

Senator: Carr, Kim

Question:

- 354.** Did Treasury undertake any modelling on the impacts of the amendment moved by the Palmer United Party to the Tax Laws Amendment (R&D) Bill 2013? If so, when was this modelling conducted, who was consulted and what were the results?
- 355.** How many companies will be directly impacted by the introduction of a \$100m cap? How many of these companies are the same as those firms affected by the original measure or a \$20 billion threshold?
- 356.** Did Treasury consult AusIndustry on whether there were any Advance Findings that may be affected by the proposed changes to the R&D Tax Incentive? If so, how many of the firms affected by this measure have sought advance confirmation from AusIndustry for R&D expenditure in future years?

Answer:

- 354.** No, Treasury did not undertake any modelling on the Palmer United Party's proposed amendments.
- 355.** Based on historical R&D data, Treasury estimates that a cap of \$100 million on the amount of eligible R&D expenditure that companies can claim at the standard rate under the R&D tax incentive would be likely to affect between 15 and 25 companies.
- 356.** Treasury did not consult with AusIndustry on advance findings.