

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

29 May – 31 May 2012

**Question: BET 1326**

**Topic: Henry Tax Review**

**Hansard Page: Wednesday 30 May, page 106-107**

**Senator WATERS asked:**

Senator WATERS: Obviously the Henry tax review recommended that the \$2 million threshold be increased to \$5 million. The motivation was a variety of things, including simplifying the system and reducing compliance costs. How much would this cost revenue if we changed this definition? Is anybody able to answer that?

Mr Heferen: I am not aware of any calculation we have done to that effect.

Senator WATERS: It has not been done by your crew or anyone else?

Mr Heferen: I am not aware. I guess a confounding factor would now be the accelerated write-off for a range of small businesses.

Senator WATERS: Yes. I have some questions on that too.

Mr D'Ascenzo: Unfortunately, I do not have the figures to hand. In terms of numbers, the greatest proportion of businesses is within the \$2 million turnover range. I think it is relevant. That would mitigate the costs going wider. Currently, mostly of them are already within that \$2 million turnover threshold.

Mr Heferen: I have just been informed that we have done a costing of precisely what you ask because we were requested to. But I am not sure if we have the number, though.

Mr Maloney: We have done that costing because it was requested of us, but I do not have that information with me.

Senator WATERS: Are you able to provide that on notice?

Mr Maloney: Yes.

**Answer:**

Treasury has not been asked by Government to cost the specific policy of increasing the small business tax threshold to \$5 million.