

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 715

Topic: Company tax cut and paid parental leave levy

Reference: Hansard, page 38, 5 June 2014

Senator: Wong

Question:

Senator WONG: Can I go back to the company tax cut? You will probably say that you cannot give it to me, but, firstly, how much is that measure going to cost?

Senator Cormann: That has not been disclosed and—

Senator WONG: But I am still asking for it.

Senator Cormann: Sure.

Mr Heferen: We can take that on notice.

Senator WONG: Thank you—on your current calculations. Secondly, how many taxpaying entities do you assume it will affect?

Mr Heferen: That would be the number of companies.

Senator WONG: I assume so; which is?

Mr Pearl: The best estimate we have is that around 800,000 companies will potentially benefit from the company tax cut, but around 3,000 larger companies will pay the PPL levy.

Senator WONG: Three thousand approximately?

Mr Pearl: Yes.

Senator WONG: That was my next question. Can you tell me how much revenue the levy is expected to raise? Will you take that on notice?

Mr Heferen: We will take that on notice.

Answer:

715. The 2014-15 Budget continues to provision for the introduction of a 1.5 per cent company levy to fund the new Paid Parental Leave Scheme and a reduction in the company tax rate to 28.5 per cent. The provisions are included as estimates variations in the respective heads of revenue and are not separately identified in the Budget.