

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: Treasury RG – Tax White Paper Taskforce

Question: BET 177-179

Topic: Tax White Paper - modelling

Reference: written - 12 June 2015

Senator: McGrath, James

Question:

Tax White Paper – modelling

177. In dollar terms, what is the estimated annual cost to the economy of each of the following taxes in Australia:
- a. personal income tax?
 - b. company income tax?
 - c. goods and services tax (GST)?
178. In dollar terms, what would be the estimated annual cost to the economy of a comprehensive broad-based GST in Australia?
179. Has any modelling been done on the expected economic costs and/or benefits of shifting the tax make up in Australia so as to reduce reliance on incomes taxes and increase reliance on consumption taxes?
- a. If yes, what are the expected economic costs and/or benefits for:
 - i. government?
 - ii. individuals?
 - iii. businesses?

Answer:

177. Treasury has a static economy-wide model that has been used to analyse the incidence and efficiency impacts of changes to a stylised personal income tax, company income tax and GST, as well as stamp duties on conveyances and broad-based land tax. Results from this modelling have been published in the Treasury Working Paper 2015-01 *Understanding the economy-wide efficiency and incidence of major Australian taxes*.

178. See answer to question 177.

179. See answer to question 177.