

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20-21 November 2013

Question: SBE 1052-1057

Topic: Section 25-90 (ATO)

Written: 6 December 2013

Senator WONG asked:

1052. Did the ATO provide advice to Government on the decision not to proceed with the abolition of section 25-90?

1053. What is the ATO's view regarding the decision not to proceed with the abolition of section 25-90?

1054. Does the ATO continue to believe that this concession is being abused by multi-national companies?

1055. If not, what has changed since May of this year when this measure was introduced to reduce profit-shifting by multi-national companies?

1056. How much money has been claimed against this section in the last five years? Can this be broken down by year?

1057. How many taxpayers have claimed deductions against this section in the last five years? Can this be broken down by year?

Answer:

1052. The ATO provided advice through Treasury.

1053. The ATO's view is that policy decisions are a matter for government.

1054. The ATO considers that there are instances of abuse of section 25-90.

1055. N/A

1056 - 1057.

These questions go to current policy considerations by the Government.